British Columbia Utilities Commission

2005/06 Annual Report

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To the Lieutenant Governor in Council

MAY IT PLEASE YOUR HONOUR:

Pursuant to the Utilities Commission Act and the Budget Transparency and Accountability Act, I respectfully submit this Report on the activities of the British Columbia Utilities Commission for the fiscal year 2005/06.

Section 13 of the Utilities Commission Act requires the Commission to submit a report to the Lieutenant Governor in Council for the preceding fiscal year, setting out briefly all applications and complaints, summarizing Commission findings, and reporting on other matters considered in the public interest. Consistent with the Budget Transparency and Accountability Act, the reporting timeframe is for the fiscal year.

Robert Hobbs

ROBERT H. HOBBS
Chair and Chief Executive Officer

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Standard Abbreviations & Acronyms

UTILITY/APPLICANT

British Columbia Hydro and Power Authority	BC Hydro
Big White Utility Ltd.	Big White
Cal-Gas Inc.	CalGas
Central Heat Distribution Limited	CHDL
FortisBC Inc.	FortisBC
Hemlock Valley Electrical Services Limited	HVES
Pacific Northern Gas Ltd.	PNG, PNG-West
Pacific Northern Gas (N.E.) Ltd.	PNG (N.E.)
Plateau Pipe Line Ltd.	Plateau
Port Alice Gas Inc.	Port Alice Gas
Princeton Light and Power Company, Limited	PLP
Silversmith Light & Power Corporation	Silversmith
Stargas Utilities Ltd.	Stargas
Sun Peaks Utilities Co., Ltd.	Sun Peaks
Sun Rivers Services Corp.	Sun Rivers
The Corporation of the City of Nelson	City of Nelson
Terasen Gas Inc. (subsidiary of Terasen Inc.)	Terasen, Terasen Gas, TGI
Terasen Gas (Whistler) Inc.	Terasen (Whistler), TGW
Terasen Gas (Vancouver Island) Inc.	Terasen VI, TGVI
Terasen Gas (Squamish) Inc.	Terasen (Squamish)
Terasen Multi-Utility Services Inc.	Terasen MUS, TMUS
Terasen Pipelines (Jet Fuel) Inc.	Terasen (Pipelines)
The Yukon Electrical Company Limited	YECL

OTHER

Allowance for Funds Used During Construction	AFUDC
Alternative Dispute Resolution	ADR
Apartment Customer Rates	ACR
Certificate of Public Convenience and Necessity	CPCN
Energy for our Future: A Plan for BC	Energy Plan or Energy Policy
Gas Cost Reconciliation Account	GCRA
Gas Cost Variance Account	GCVA
Independent Power Producers	IPPs
Insurance Corporation of British Columbia	ICBC
Large General Service	LGS
Natural Gas Marketers	NGM
Natural Gas Vehicles	NGV
Negotiated Settlement Process	NSP
Return on Common Equity	ROE
Small General Service	SGS
Utilities Commission Act	the Act, UCA

Organizational Overview

Introduction

The British Columbia Utilities Commission ("the Commission", "BCUC") is a regulatory agency of the Provincial Government, operating under and administering the Utilities Commission Act ("UCA", "the Act"). The Commission's function is quasi-judicial and it has the power to make legally binding rulings. Decisions and Orders of the Commission may be appealed to the Court of Appeal on questions of law or jurisdiction. The Commission's primary responsibility is the regulation of the public utilities under its jurisdiction and, effective August 12, 2003, the regulation of certain aspects of automobile insurance pursuant to the Insurance Corporation Amendment Act.

Through an open and transparent regulatory review process, the Commission ensures that the:

- rates charged for energy are fair, just and reasonable;
- energy utility operations provide safe, adequate and secure service to their customers;
- shareholders of public utilities under its jurisdiction are afforded a reasonable opportunity to earn a fair return on their invested capital;
- Insurance Corporation of British Columbia ("ICBC") universal compulsory automobile insurance is adequate, efficient, just and reasonable; and
- ICBC optional insurance is not subsidized by other ICBC operations.

The Commission also reviews energy-related and basic insurance matters referred to it by Cabinet. These reviews usually involve public inquiries, followed by a report and recommendations to Cabinet. In addition, under Part 7 of the Pipeline Act, the Commission establishes tolls and conditions of service for intraprovincial oil pipelines. The Commission has responsibilities under the UCA for electricity transmission facilities, energy supply contracts and the issuance of gas marketer licences, matters that are likely to become more active as the reorganization of the energy industry proceeds. The Commission also approves the construction of new facilities planned by energy utilities and their issuance of securities.

The Commission has been self-funded since 1988. Its costs are recovered primarily through a levy on the public utilities it regulates. The work of the Commission is important to the population of BC because the effects of regulation instill a high degree of public confidence that competing interests among monopoly utilities, consumers and other stakeholders are reconciled. Likewise, the effects of regulation send a message to the community beyond British Columbia ("BC") that the province is a safe and fair place to do business.

The Act provides for a Chair, one or more Deputy Chairs, up to seven Commissioners (including the Chair and Deputy Chair[s]), and Temporary Commissioners. All are appointed by the Lieutenant Governor in Council. As of April 2006, there were six Temporary Commissioners, two Commissioners and the Chair. There are 23 Commission staff, including professional engineers, accountants, economists, and administrative staff. The Commission is located in Vancouver at 900 Howe Street.

Commission staff are organized into an Information Services Group and a Regulatory Affairs and Planning Group. The Information Services Group handles complaints from ratepayers, provides research support, and compiles statistics and information to respond to inquiries from the public. The Regulatory Affairs and Planning Group comprises three functional units: strategic services, rates and finance, and engineering and commodity markets. To effectively deliver its core business, the Commission has organized its regulatory functions by tasks, utilizing the knowledge of its interdisciplinary teams.

1.1 Vision

To be a respected regulator of public utilities.

1.2 Mission

To exercise our regulatory mandate in a manner that serves the public interest and that is independent, principled and respectful of the interests and resources of all parties.

1.3 Value Statements

The Commission is committed to:

- Ensure arms-length, independent, and accountable regulation of utilities and ICBC.
- Apply regulatory principles, research and industry knowledge to resolve problems concerning public utilities or the regulated portion of automobile insurance.
- Render decisions that are timely, fair, workable and respected.
- Write high quality decisions, reports and publications.
- Communicate effectively and transparently with co-workers, utilities, ratepayers, government and the public.
- Promote learning, innovation, creativity and the achievement of personal and professional goals.

Commission Services

In addition to its regulatory responsibilities, the Commission provides the following services and assistance:

- review ratepayers' complaints about the actions of utilities and ICBC;
- provide copies of documentation prepared by the Commission (e.g., Brochures, Guidelines, Orders, Decisions, etc.) at no charge. These documents are also posted and available for download from the Commission's web site: http://www.bcuc.com;
- provide access to regulated utilities' Tariffs;
- provide access to information filed in public hearings; and
- respond to requests for general information regarding utilities and ICBC.

Regulatory Functions and Responsibilities

The Commission meets regularly to review utility and ICBC applications, to authorize the issuance of Commission Orders or other directives considered necessary and in the public interest, to review complaints and to conduct other necessary Commission business. The regulatory tasks are carried out using an interdisciplinary team approach. The team assigned to a task is normally composed of specialists from disciplines of engineering, accounting and economics and is advised, as appropriate, by legal counsel and specialist consultants retained by the Commission.

Message from the Chair and Chief Executive Officer

As anticipated, 2005/06 was a challenging year for the Commission as it completed a number of significant reviews necessary to bring the BC Transmission Corporation, BC Hydro and ICBC into regulation. I am pleased to report that the costs, activity levels and application cycle times of the Commission continue to compare favourably with past years and it remains among the most efficient economic regulators in North America.

In 2005/06, the Commission implemented significant organizational changes so as to ensure that it continues to meet its key goals. I am also pleased to report that the British Columbia Utilities Commission has continued to achieve its key goals which are to:

- develop new policies, procedures and guidelines in order to comply with the Energy Plan and the government's reductions in regulatory commitments;
- ensure the financial viability of the utilities it regulated;
- maintain and improve public worker safety, and enhance the quality and reliability of utility service;
- maintain and improve customer satisfaction with utility services;
- enhance Provincial competitiveness through non-discriminatory services and containment of cost of service increases; and
- control the cost of regulation which is approximately one cent/GJ of energy sold and approximately one-tenth of one percent of revenues collected by energy utilities.

New energy projects are required as the provincial economy and population grows. New energy projects are also required to replace ageing energy infrastructure. At this time and for the next several years, an important responsibility of the Commission will be to ensure that these projects, as they are reviewed and approved, are cost-effective and are in the public interest.

The new BC vehicle insurance framework was announced by the government in April, 2006. The government does not intend to implement the provisions of Bill 58 regarding optional vehicle insurance. The Commission will continue with its present mandate for ICBC, with a particular focus on revenue requirements and rate design.

The number and complexity of applications filed with the Commission has dramatically increased in recent years. The Commission has used and will continue to use a variety of processes to review applications including written and oral hearing processes and negotiated settlement processes. Further innovations and refinements to Commission processes are needed to ensure that we continue to achieve effective and efficient regulation.

The Commission anticipates that 2006/07 will continue to be challenging with reviews of BC Hydro's Integrated Electricity Plan and Revenue Requirements expected. Rate Design applications are anticipated in late 2006 or early 2007 from ICBC and from BC Hydro. The Commission has just begun the review process for an application from BCTC related to its Open Access Transmission Tariff and Network Economy Service. Also before the Commission is an Application from BC Hydro related to the Customer Baseline Loads required to implement the stepped rate mandated by Special Direction HC2, and an application from Terasen Gas Inc. regarding commodity unbundling for residential customers. The Commission anticipates that it will process and review all of these applications in an efficient and timely manner.

In closing, I would like to welcome Commissioners Liisa O'Hara, Tony Pullman and Keith Anderson to the Commission. Thank you to all Commission staff and stakeholders who participated in Commission processes in 2005/06.

Robert H. Hobbs
Chair and Chief Executive Officer

The Year in Review

Background

The UCA was amended in 2003 to provide a mandate to the Commission to implement the policy actions of the Province's Energy Plan released on November 25, 2002, and to undertake the regulation of certain aspects of basic automobile insurance. Amendments to Section 45 of the UCA expanded upon and clarified the planning requirements of utilities and the Commission's role to review these plans to determine whether expenditures are in the public interest and whether associated rate changes are necessary and appropriate. Other amendments to the UCA provided the Commission with the authority to license gas marketers in anticipation of unbundling and customer choice for Terasen Gas Inc.'s ("Terasen Gas") customers.

The Commission also began the process of regulating the rates of British Columbia Hydro and Power Authority ("BC Hydro"), and of British Columbia Transmission Corporation ("BCTC"). BCTC is a provincial Crown Corporation which was created by the *Transmission Corporation Act* (SBC 2003, c.44) and began operations on August 1, 2003. BCTC operates, manages, plans and maintains BC Hydro's transmission system. BCTC filed its first tariff application with the BCUC in August 2004. The implementation of regulation for BC Hydro and BCTC continued throughout 2005/06 and will extend into 2006/07.

A summary of the Decisions and Orders issued by the Commission in 2005/06 is found commencing on page 37 of this Annual Report.

Highlights in Operational and Financial Performance

Proceeding Days

The number of proceeding days increased from 85 days in 2004/05 to 108 days in 2005/06 (including hearings, dispute resolution, workshops, pre-hearing conferences, town hall meetings and meetings related to annual reviews of Performance-Based Regulation agreements). There were 61 oral public hearing days in 2005/06, the same as 2004/05. There were 18 dispute resolution days in 2005/06 and 29 days dedicated to pre-hearing conferences and workshops.

The number of hearing days is largely the result of a long hearing related to BCTC's Application for a Certificate of Public Convenience and Necessity for its proposed Vancouver Island Transmission Reinforcement Project. Another significant hearing was held to consider an application by Terasen Gas Inc. and Terasen Gas

(Vancouver Island) Inc. regarding the companies' allowed returns on equity and capital structures. Shorter hearings included those held to review Pacific Northern Gas's 2005 Revenue Requirements application and its application to convert to an income trust, and FortisBC's application for a Certificate of Public Convenience and Necessity to construct and operate its proposed Nk'Mip (East Osoyoos) transmission and substation project.

The Commission's costs in constant dollars decreased substantially from levels established in the early 1990's, until 1998/99 at which time they leveled out. Costs between 2004/05 and 2005/06 have increased for the reasons described above. Details and graphs are included in the section entitled Performance Indicators, beginning on page 52.

Organizational Efficiency and Effectiveness

The number of full-time staff at the Commission in 2005/06 increased to 23 from 22 in 2004/05. Staffing expenditure constituted approximately 54 percent of the Commission budget in 2005/06. In past years the Commission succeeded in maintaining or lowering its budget and core expenditures in real terms by moving away from the traditional cost-of-service approach to performance-based regulation ("PBR") or to negotiated settlement processes ("NSP"), which offer potentially lower regulatory costs. These results-based practices allowed the BCUC to keep its costs reasonable in terms of the services to ratepayers and utilities. However, a public hearing process can be the preferred and more appropriate process, depending on the nature and circumstances of an application. In 2005/06, several of the proceedings were better suited to a public hearing process than an NSP. This, plus the additional responsibilities related to the regulation of certain aspects of basic automobile insurance, has increased the costs of the Commission.

Pursuant to Section 118 of the UCA, the BCUC has the authority to grant cost awards to intervenors in a proceeding before the Commission. The Commission has issued Participant Assistance Cost Award Guidelines ("PACA Guidelines") to ensure that intervenors' submissions are useful, their efforts do not duplicate each other's, and costs claimed are reasonable. In 2005/06, the Commission issued 16 participant funding decisions totaling $1,135,454.59 in cost awards.

The costs of the Commission can be measured by cost per utility customer and cost per unit of energy sold. In fiscal 2005/06, the cost of regulation per customer[1] was $0.86 (in 2005 dollars, up from $0.77 in 2004/05) and the cost of regulation[1] per energy service customer was $1.73, up from $1.52 in 2004/05. The cost of regulation per gigajoule ("GJ") of energy sold was 1.01 cents. The total expenditure for fiscal 2005/06 was $4,833,175.12; the approved budget was $5,528,000.

1 Includes ICBC and energy regulatory customers.

Highlights in Natural Gas

Natural Gas Commodity Costs

Gas prices across North America are influenced in the short-term by weather, the economy, the price of competing fuels, and gas storage levels. The level of economic activity, number of wells drilled, crude oil prices, and other factors affecting the gas supply/demand balance impact gas prices over the longer term. Gas turbines have been the recent choice for many new electricity generators due to their improved efficiency, lower capital cost and environmental benefits. Regional gas demand will be significantly influenced by the amount of new gas-fueled generation that is built in the region. National Energy Board reports indicate that the continental supply and demand balance is likely to remain tight until closer to the end of the decade, when liquefied natural gas imports and, later, gas from the Mackenzie Delta are expected to become available.

The sharp increase in continental market prices for natural gas in the winter of 2000/01 reversed in spring 2001 due to moderate weather, more well drilling and a slowing North American economy. Gas prices were relatively stable over the remainder of 2001 and most of 2002, and then increased in early 2003. Gas demand has become more weather-dependent, and gas prices were quite volatile over 2003, 2004 and early 2005. Relatively warm weather starting in June 2005 that increased the demand for gas-fired generation and predictions of an active hurricane season caused gas prices to strengthen over summer 2005.

Hurricanes Katrina and Rita in the late summer and early fall of 2005 did widespread damage to oil and gas production facilities in the Gulf of Mexico and industry reports indicate that, as of March 2006, 14 percent of production from the area remained shut-in. Gas prices rose dramatically in August/September 2005 and remained very high until January 2006. Winter 2005/06 was generally warmer than normal across the continent, causing gas storage levels to remain very high and starting in January prices trended strongly downward for the rest of the winter. Gas prices in spring 2006 are similar to those a year ago, but forward prices for winter 2006/07 and subsequent periods remain high due to high crude oil prices and predictions of another active hurricane season. On the other hand, precipitation, snow-pack and water reservoir levels have generally improved in the northern part of western North America. Although gas storage levels are well above the five-year average, future gas prices are expected to be volatile and high relative to long-term averages.

Experience from the winter of 2000/01 and subsequently have demonstrated the significant impact of very high gas prices on consumers' cost of living and businesses' operating costs. There was a public expectation that regulators could somehow "save" consumers from high gas commodity costs, even though costs have been set by market forces and passed on to the customers without mark-up by the utilities for over 15 years.

Although the BCUC does not regulate the competitive market for the natural gas commodity, it requires utilities to provide quarterly reviews of gas prices and deferral account balances. Such deferral account mechanisms are intended to smooth out changes in utility rates when gas prices change. British Columbia customers tend to pay less than the full gas cost when gas prices are high and pay slightly more than the actual cost when gas prices are low. The BCUC reviews utility gas supply contracting and hedging plans to ensure that, within the limits of market prices, the utilities purchase reliable supplies at the lowest cost possible. However, even with such measures a risk remains that significant, sustained increases in the cost of the unregulated commodity could drive natural gas rates to uncomfortable levels for consumers. Furthermore, current forward prices represent a risk that gas may become non-competitive relative to electricity, since electricity rates are based on the cost of generation.

Commercial Unbundling and Customer Choice

The trend toward reorganization in energy markets throughout North America has led to increased pressure on the BCUC from customers and energy providers alike to ensure that customers are offered more options and that utility services are provided in a fair, open and non-discriminatory manner. The entry of non-regulated companies, including affiliates of regulated utilities, increases the complexity of regulating energy utility services. A necessary condition for securing competitive prices for natural gas and electricity is that remaining monopoly transmission and distribution utilities be regulated to ensure market participants receive fair access to deliver their energy at non-discriminatory rates.

As a result of the Energy Plan, Terasen Gas implemented Commodity Unbundling Service for commercial customers effective November 1, 2004. This service option typically is used by small commercial customers, as large volume customers already had access to alternative suppliers. Under the program, commercial customers are permitted to select a natural gas supplier other than Terasen Gas on a fixed price contract basis for up to five years. Results to date indicate a very successful implementation of the program. As of March 2006, 16,000 customers chose to participate, which is approximately 20 percent of the eligible market on the basis of both customer numbers and sales volumes. BCUC has received very few complaints related to the program.

In order to successfully introduce the commercial unbundling phase of the program, a regulatory, consumer protection and billing framework was required. The framework developed includes utility tariffs, a consumer education program, and Rules for Gas Marketers that include a Code of Conduct and licensing requirements. These measures ensure that customer confidence in the program will not be tarnished by marketer

abuses or consumer misunderstanding. Terasen Gas implemented a combination of manual and computer controlled systems to keep program costs to a minimum, while at the same time providing mechanisms that can be enhanced to serve a broader residential customer base over time. The program was staged with commercial customers to be followed by residential unbundling, due to the significant investment risk that an insufficient number of customers will participate to justify the high costs of full scale implementation. The phased approach has been a cost-effective alternative. Meanwhile, commencing January 1, 2005, Terasen Gas offers a Stable Commodity Rate option for residential service that enables a residential customer to fix the commodity portion of gas rates for one year.

Building on the success of the first phase in attracting a significant number of commercial customers, Terasen Gas is working with BCUC, Gas Marketers and other stakeholders to expand the program to include residential customers commencing November 2007. Computer systems and other processes need to be upgraded and automated to handle the large increase in customer enrollments that is anticipated with residential unbundling. In addition, effective customer education programs and a dispute resolution process need to be expanded and developed to supplement the consumer protection measures currently in place. Terasen Gas applied to BCUC in April 2006 for a Certificate of Public Convenience and Necessity ("CPCN") for the residential unbundling program.

Pacific Northern Gas

Pacific Northern Gas Ltd. reapplied to the Commission in December 2004 to recapitalize under an income trust ownership structure, and the Commission's Decision and Order No. G-84-05, dated September 9, 2005, approved PNG's application. PNG requested reconsideration of the interest on fixed and variable rate subordinate notes approved in the Decision. Following an oral hearing, the reconsideration request was approved by Order No. G-112-05 dated October 25, 2005. To date the recapitalization has not taken place.

In November 2005, Methanex Corporation permanently closed its Kitimat methanol/ammonia complex. To compensate for the loss of revenue from this major customer, PNG requested a significant increase in delivery charges from most other customers in the 2006 Revenue Requirements Application that it filed in November 2005. This Application is under review by the Commission.

Terasen Gas (Vancouver Island)

The Commission's Decision and Order No. C-2-05, dated February 15, 2005, granted Terasen Gas (Vancouver Island) Inc. conditional approval of a CPCN for a liquefied natural gas storage facility on Vancouver Island at Mount Hayes near Ladysmith. As the electric generation plant that Duke Point Power Limited Partnership proposed to build near Nanaimo is not going ahead, the liquefied natural gas project is not proceeding.

Gas Service for Whistler

BCUC approved a CPCN for Terasen Gas (Vancouver Island) Inc. to construct a natural gas pipeline from Squamish to Whistler and a CPCN for Terasen Gas (Whistler) Inc. to convert the Whistler propane vapour system to natural gas service, subject to conditions regarding cost incentive mechanisms and the transportation service agreement between the two utilities. Gas service is scheduled to commence October 2008.

Highlights in Electricity

Implementation of the Energy Plan

In May 2003, the Province created the British Columbia Transmission Corporation ("BCTC"), to manage, maintain and operate the transmission assets of BC Hydro, and to ensure open and non-discriminatory access to the BC transmission system for all electricity producers. BCTC officially commenced operations on August 1, 2003. The Energy Plan also contemplated that the Commission would resume regulating BC Hydro rates.

Under the terms of the *Transmission Corporation Act*, BCTC was required to seek an order from the Commission on or before December 31, 2004 approving its first schedule of rates. On August 3, 2004, BCTC filed an application for an Open Access Transmission Tariff ("OATT") to replace the BC Hydro Wholesale Transmission Tariff. The Commission held an oral public hearing to review the OATT application beginning on February 28, 2005 and ending on March 8, 2005 and rendered its Decision on June 20, 2005. BCTC filed its OATT Compliance Filing containing OATT tariffs incorporating changes resulting from the Commission's OATT Decision on February 2, 2006. The Commission approved the OATT tariffs, which became effective March 1, 2006.

BCTC filed its F2006 revenue requirements application on December 23, 2004. By Order No. G-25-05 the Commission established a workshop and negotiated settlement process to commence on May 25, 2005. The Commission approved a negotiated settlement agreement on the BCTC F2006 revenue requirements application on June 23, 2005 by Order No. G-60-05. The filing of the OATT application and the revenue requirements application satisfied BCTC's requirement to do so under the *Transmission Corporation Act*.

BCTC Vancouver Island Transmission Reinforcement

On July 7, 2005, BCTC filed an application to construct, in an existing right-of-way, a new 67 kilometer 230 kV line from South Delta to North Cowichan to replace an existing 138 kV line, and to upgrade a second 138 kV line. On September 30, 2005 Sea Breeze Regional Transmission System, Inc. subsequently Sea Breeze Victoria Converter Corporation, ("Sea Breeze") filed an application to construct its Vancouver Island Cable ("VIC") project. The Commission established a single oral public hearing to review the two projects, which was held in February and March, 2006 and lasted for 33 days. During the hearing, Sea Breeze withdrew its VIC application. The hearing remained contentious primarily because of routing considerations related to the BCTC application. Final submissions concluded in May 2006 after which the Commission issued its Decision.

BC Hydro Applications

On March 10, 2005, BC Hydro filed its Transmission Service Rates Application ("TSRA") in order to implement the stepped rate mandated for transmission voltage industrial customers by Special Direction HC2. The Commission established a negotiated settlement process to review the application. A negotiated settlement agreement was reached in May, 2005 and was approved by the Commission in August 2005 by Order No. G-79-05. The negotiated settlement agreement included Customer Baseline Load ("CBL") Guidelines contained in the TSRA. The CBL Guidelines are intended to assist in determining individual CBLs for customers in order to implement the stepped rate for each non-exempt transmission voltage service customer.

On March 7, 2005, BC Hydro filed its Resource Expenditure and Acquisition Plan ("REAP"). The REAP is essentially a short-term planning document (two to four years) including BC Hydro's planned capital expenditures, its plan for meeting its anticipated energy demand and its plan to reduce energy demand by its customers. The Commission established a negotiated settlement process to be held in September 2005 to review the REAP. Parties achieved a negotiated settlement that was approved by the Commission in October 2005 by Order No. G-103-05.

BC Hydro filed its Integrated Electricity Plan ("IEP"), which is a long-term planning document, on March 29, 2006 and Commission staff have commenced a preliminary review of the IEP. BC Hydro also filed its F2007/F2008 Revenue Requirements Application ("F2007/08 RRA") on May 25, 2006. The Commission has established procedural conferences to determine the formal process(es) for reviewing the IEP and the F2007/08 RRA.

Energy Trade

Energy trade with other jurisdictions is an important source of revenue to BC Hydro ratepayers. Under Special Direction No. HC2 net trade income up to $200 million is credited to ratepayers.

Electricity trade revenues tend to be highest when market prices are high. In the western U.S. low levels of electricity infrastructure investment, low precipitation and growing demand led to abnormally high market prices and shortages during peak periods in 2000. In 2001 and 2002, a reversal of these factors led to a surplus of electricity and a reduction in the market prices for electricity. In fiscal 2004/05, trade revenues were $1,021 million compared to $871 million in the prior year.

Cross-jurisdictional bodies facilitate trade but constrain the ability of the province to formulate policies in isolation of events outside its border. Events in other jurisdictions can significantly affect the level of trade or the amount of revenue arising from energy trade. The Commission notes that there were significant uncertainties related to trade revenues as a result of lawsuits and regulatory proceedings that allege that, during part of 2000 and 2001, California wholesale electricity markets were unlawfully manipulated and that energy prices were not just and reasonable. Powerex, as well as other energy providers, was named as a defendant in some of those proceedings. In a 2003 settlement agreement between the U.S. Federal Energy Regulatory Commission ("FERC") and Powerex, FERC cleared Powerex of inappropriate market behaviour. The State of California filed three suits, beginning in December 2004, related to power delivered during the 2000/2001 crisis. The first of those was dismissed in December 2005, but other court rulings appear to prolong the uncertainty.

In order to remain informed of events related to energy trade and reliability, the BCUC has ties with tribunals in neighbouring provinces and states and participates in cross-jurisdictional initiatives such as the Western Electric Coordinating Council ("WECC"). The Commission also plays an active role in the Canadian Association of Members of Public Utility Tribunals ("CAMPUT"). The Commission continues to explore with other regulators harmonization, standardization, and streamlining of regulation within the limits of its enabling legislation.

Review of FortisBC Inc. Revenue Requirements

In April 2004, the Commission approved the acquisition of Aquila Networks Canada (British Columbia) Ltd. ("Aquila") by Fortis Pacific Holdings Inc. On June 1, 2004, Aquila changed its name to FortisBC Inc. ("FortisBC"). In November 2004, FortisBC filed its 2005 Revenue Requirements application and filed its 2005-2024 System Development Plan and its 2005 Resource Plan. In March 2005, the Commission conducted an oral public hearing in Kelowna to review a revenue requirements application by FortisBC. This marked the first comprehensive review of the revenue requirements of FortisBC. The Commission Decision on the FortisBC's 2005 Revenue Requirements, 2005-2024 System Development Plan and 2005 Resource Plan was issued on May 31, 2005.

FortisBC's 2006 revenue requirements application was filed in November 2005. The Commission determined that the application would be reviewed by way of a negotiated settlement process to be held in Kelowna in April 2006. As of May 1, 2006, a tentative settlement was reached. The settlement agreement was approved by the Commission on May 23, 2006 by Order No. G-53-06. The settlement agreement includes a Performance Based Rate mechanism that will streamline determination of FortisBC's revenue requirements for the period 2007 - 2009.

Highlights in Automobile Insurance

The Commission's mandate was expanded to regulate certain aspects of automobile insurance provided by the Insurance Corporation of British Columbia, effective August 12, 2003.

On July 5, 2004, ICBC filed an application that sought approval of a Financial Allocation Methodology under which ICBC will assign costs to its Basic and Optional Insurance lines of business. ICBC also filed material dealing with road safety and loss management programs, the collection and use of data relating to age, sex, and marital status, and Actuarial and 2005 Financial Information. ICBC did not seek to change the premiums for Basic Insurance for the 2005 policy year.

The Commission reviewed the application and the filed material in an oral public hearing which took place in October 2004. The Commission issued a Decision dated January 19, 2005 that accepted ICBC's fully allocated costing, or pro-rata, methodology as being the most appropriate one for allocating costs among ICBC's three lines of business. The Decision also contained a number of significant directions to ICBC, including a direction to further analyze certain allocators and allocation percentages and convene a workshop within 60 days to review all details.

The Commission accepted the Actuarial and Financial Information for the 2005 policy year and did not require ICBC to file a separate full 2005 revenue requirements application. However, the Commission did direct ICBC to file a comprehensive Revenue Requirements Application for 2006 Basic Insurance Premiums and a comprehensive capital management plan for the corporation as a whole and for both the Basic and Optional Insurance lines of business. In the Decision the Commission also gave a number of directions and suggestions pertaining specifically to the Road Safety and Loss Management programs.

On March 10, 2005 ICBC filed its analyses, as directed by the Commission in the January 19, 2005 Decision, with respect to certain allocators and percentages in the Financial Allocation Methodology. A workshop was held on March 16, 2005 to review the filed information. Subsequently, a NSP commenced and a Decision issued.

On August 22, 2005 ICBC submitted an application for approval of 2006 Revenue Requirements for Basic Automobile Insurance, a filing relating to ICBC's Basic Insurance Capital management Plan, an application for approval of refinements to certain performance measures, a filing of information on seven financial allocation functions and an application for approval of changes to certain allocation functions. In the Application, ICBC advised that it was not applying for a change to Basic Insurance rates. On January 27, 2006 ICBC revised the application and applied for an increase in Basic Insurance rates of 6.5 percent for all new or renewal policies with an effective date after March 14, 2006. The Commission approved the requested increase in Basic Insurance rates on an interim basis and scheduled an Oral Public Hearing to commence on April 3, 2006.

2006/07 Anticipated Events

During the 2006/07 fiscal year the Commission expects to complete its reviews of the following major applications:

- British Columbia Hydro and Power Authority Integrated Electricity Plan
- British Columbia Hydro and Power Authority F2007/F2008 Revenue Requirements Application
- British Columbia Hydro and Power Authority Transmission Service Rates Customer Baseline Load Application
- British Columbia Transmission Corporation Application for a Certificate of Public Convenience and Necessity for its Vancouver Island Transmission Reinforcement Project.
- British Columbia Transmission Corporation F2007 Revenue Requirements Application
- British Columbia Transmission Corporation Application for Network Economy and Open Access Transmission Tariff
- Terasen Gas Inc. Application regarding Commodity Unbundling for Residential Customers
- Terasen Gas Inc. Application regarding Replacement and Upgrading of the Vancouver Low Pressure Gas Distribution System
- Pacific Northern Gas Ltd. 2007 Revenue Requirements Application, Pacific Northern Gas (N.E.) Ltd. 2007 Revenue Requirements Application
- Insurance Corporation of British Columbia Application for a Premium Increase for Basic Insurance and other financial matters
- Insurance Corporation of British Columbia Rate Design and Revenue Requirements

Report on Performance

The Commission's overarching mandate is to ensure that ratepayers receive safe, reliable and nondiscriminatory energy services at fair rates from regulated energy utilities; that shareholders of those energy utilities are afforded a reasonable opportunity to earn a fair return on their invested capital; that service to basic automobile insurance policyholders is adequate, efficient, just and reasonable and that ICBC optional insurance is not subsidized by other ICBC operations. The BCUC also has a mandate to ensure that customer complaints of unfair treatment by utilities are heard and dealt with fairly.

To effectively deliver its core services, the Commission has organized its regulatory functions by area of activity, built on the knowledge of its interdisciplinary teams. The primary areas of activities are:

(1) Revenue Requirements;
(2) Rate Design;
(3) Capital Projects Review;
(4) Oversight of Energy Commodity Cost and Competitive Market Development;
(5) Safety and Reliability; and
(6) Information Service and Complaints.

It is the aim of the Commission to deliver its core services in an efficient and effective manner without incurring unnecessary costs and burdensome regulatory requirements.

Comparisons with Other Jurisdictions

The BCUC has been operating at costs and staffing levels that are significantly lower than comparable tribunals (Table 1 following). When compiling the statistics, the Commission contacts the other tribunals to ensure that the statistics only include the portion of their budgets devoted to energy regulation. The Commission aims to update these benchmark statistics periodically, if not every year, as necessary and appropriate.

Table 1 – Benchmark comparison to Other Jurisdictions (2005)

	Members	Staff	Budget	Per Capita Cost of Regulation[1]
B.C. Utilities Commission	3 full-time Commissioners including Chair 6 Temporary Commissioners	23	$4.7 million, fully cost recovered	$ 1.11/year (includes regulation of utilities and auto insurance)
Ontario Energy Board	8 full-time Commissioners, including Chair and 1 Vice Chairs 2 part-time Commissioners	*Not available*	$31.2 million fully cost recovered	$2.52/year
Quebec Régie de l'énergie	9 full-time Commissioners, including Chair and one vice chair 0 part-time Commissioners	22 staff (excluding administrative services) and 7 board counsel	$8.0 million (excl portion for monitoring of petroleum activities) fully cost recovered	$1.06/year
Newfoundland Board of Commissioners of Public Utilities	2 full-time Commissioners, including Chair and Vice Chair 6 part-time Commissioners	16	$1.2 million (utilities), $0.5 million (auto insurance) fully cost recovered	$3.29/year (for both utilities and auto insurance regulation)
Alberta Energy and Utilities Board	9 full-time Members, including Chair	50 "utilities" staff 768 "oil and gas" staff	$130.4 million (total) $8.2 million (utilities) 78% % cost recovered, 22% funded by government	$2.56/year

[1] The annual budget or the most comparable portion of the budget divided by the most recent population estimate for the province (2004) or state (2003).

Table 1 – Benchmark comparison to Other Jurisdictions (2005)

	Members	Staff	Budget	Per Capita Cost of Regulation[1]
National Energy Board	8 full-time Members, including Chair and 1 Vice Chair 1 part-time Members	299	$35.5 million 90% cost recovered 10% funded by government	not comparable
New Brunswick Board of Commissioners of Public Utilities	1 full-time Commissioner (Chair) 1 Temporary Commissioner (Vice-Chair)	14	$3.4 million, fully cost recovered; 99.5% energy utilities, 0.5% motor carrier	$ 4.50/year
Washington State Utilities and Transportation Commission	3 full-time Commissioners, including Chair 0 Temporary Commissioners	164 total; 45 energy utilities	$16.5 million, 27.6% ($4.6 million) energy utilities funded on a cost-recovery basis	$0.74/year
Nova Scotia Utility and Review Board	6 full-time Commissioner (including Chair and Vice-Chair) 1 Temporary Commissioner	38 total; 7 energy utilities	$4.7 million, 1.4 million energy and water utilities	$ 1.47/year

Financial Report

Commission Recovery and Expenditure Summary

Authority for Cost Recovery

Beginning in 1988, the Commission was authorized to recover its costs from regulated utilities and pipeline companies by fixing levies according to Section 125 of the UCA and parameters set out in the Levy Regulation (BC Reg. 283/88). The Commission recovers most of its costs from a "per gigajoule" levy assessed on each utility, based on the amount of energy it sold in the previous calendar year. It also commenced recovery of its estimated regulatory costs from the Insurance Corporation of British Columbia and British Columbia Transmission Corporation. The Commission also bills utilities for its public hearing costs that are attributed directly to those utilities. Direct recoveries have varied significantly from year to year, depending on the number and duration of regulatory hearings and inquiries. Minor revenues are also collected from intraprovincial petroleum pipeline companies, natural gas marketer licences, and from other utility regulatory agencies that contract with the Commission for advice and assistance.

Levy 2005/06

The Commission's fiscal year runs from April 1 to March 31. The voted expenditure for the 2005/06 fiscal year was $5,527,000. Of this, $400,000 was forecasted to be recovered directly from utilities for Commission expenditures attributable to their public hearings and other proceedings under the Act. The Commission's recovery from the regulation of ICBC was $396,276 and from intra-provincial oil pipeline companies and upstream gas producers was $11,000. This left a net annual budget of $3,948,483.12 to be recovered from the levy, as identified in the formula below.

$$\frac{\text{Total Budgeted Expenditures minus estimated Direct and ICBC Recoveries ($)}}{\text{Total Utility Energy Volumes sold in previous calendar year (GJ)}} = \frac{\$3,948,483}{430,743,300\ \text{GJ}} = \$0.0091666730/\text{GJ}$$

The Commission's costs were therefore expected to be recovered from a levy of $0.0091666730/GJ for the fiscal year beginning April 1, 2005, payable by utilities in four quarterly installments.

Levy Billing Adjustments

Lower than forecasted Commission expenditures in the 2004/05 fiscal year resulted in a year-end credit from 2004/05 levy payments received of $771,240.88. This amount was credited to the utilities' quarterly billings in 2005/06. The Commission had a March 31, 2006 end of year surplus of $561,489.00. This amount will be credited back to the utilities in each quarterly billing of Commission costs for 2006/07. The Commission's regulatory proceeding costs are expected to be close to the approved budget limit requiring a full recovery from utilities.

2005/06 Revenues and Expenses

Levy billed and Recoveries received in 2005/06	$4,623,323.24	
Add: Deferred Revenue from 2004/05 Levy	771,240.88	
Total Recoveries (see below)		$5,394,564.12
Less: Expenditures (see below)		4,833,175.12
Revenue deferred to 2006/07		$561,389.00

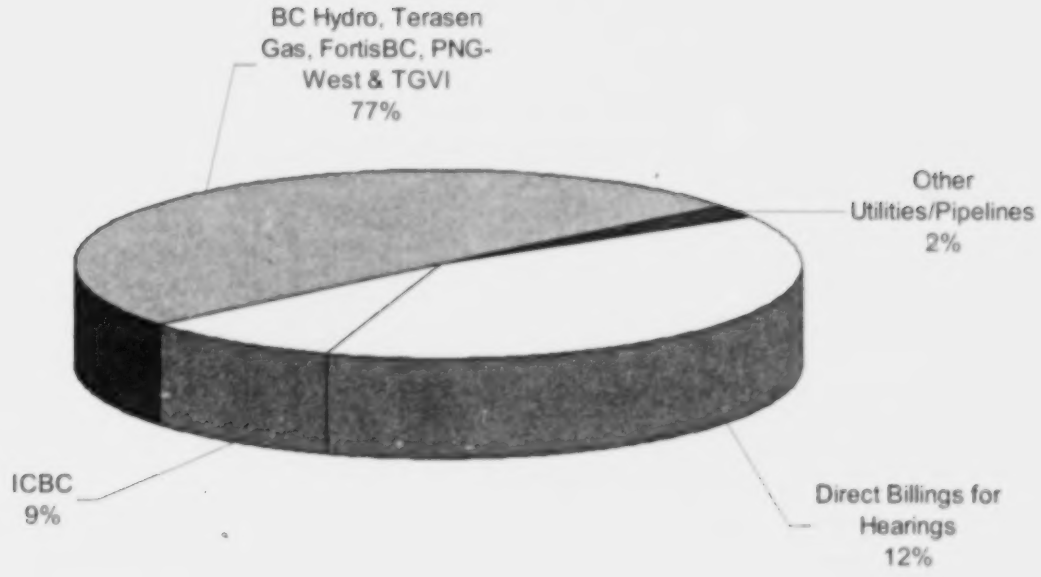
The levy amounts recovered from utilities and other revenue sources for the 2005/06 fiscal year are as follows:

Commission Revenues Recovered Through the Levy (Order No. G-62-05)	**Amounts Recovered 2005/06 Fiscal Year (Actual)**
British Columbia Hydro and Power Authority	$1,216,913.76
Cal-Gas Inc.	27.51
Central Heat Distribution Limited	7,774.26
Corporation of the City of Nelson	1,859.00
FortisBC Inc. (formerly Aquila Networks Canada (British Columbia) Ltd.)	48,064.53
Hemlock Valley Electrical Services Limited	55.32
Insurance Corporation of British Columbia	297,207.00
Pacific Northern Gas Ltd.	231,639.54
Pacific Northern Gas (N.E.) Ltd.	
~ Dawson Creek and Fort St. John	31,274.40
~ Tumbler Ridge	4,929.39
Port Alice Gas Inc.	109.01
Princeton Light and Power Company, Limited	1,711.89
Big White Gas Utility (formerly R334 Enterprises Ltd.)	268.17
Silversmith Power & Light Corporation	1.84
Stargas Utilities Ltd.	206.25
Sun Peaks Utilities Co., Ltd.	660.00
Terasen Gas Inc.	
~ Lower Mainland Division	769,643.04
~ Inland Division	366,712.74
~ Columbia Division	43,828.17
~ Fort Nelson Division	6,551.88
Terasen Gas (Vancouver Island) Inc.	222,330.78
Terasen Gas (Squamish) Inc.	2,261.88
Terasen Gas (Whistler) Inc.	4,812.51
Terasen Multi-Utility Services Inc.	
~ Sun Rivers	91.67
~ Panorama (formerly Toby Creek Utilities)	295.62
The Yukon Electrical Company Limited	23.83
Sub-Total	$3,259,253.99

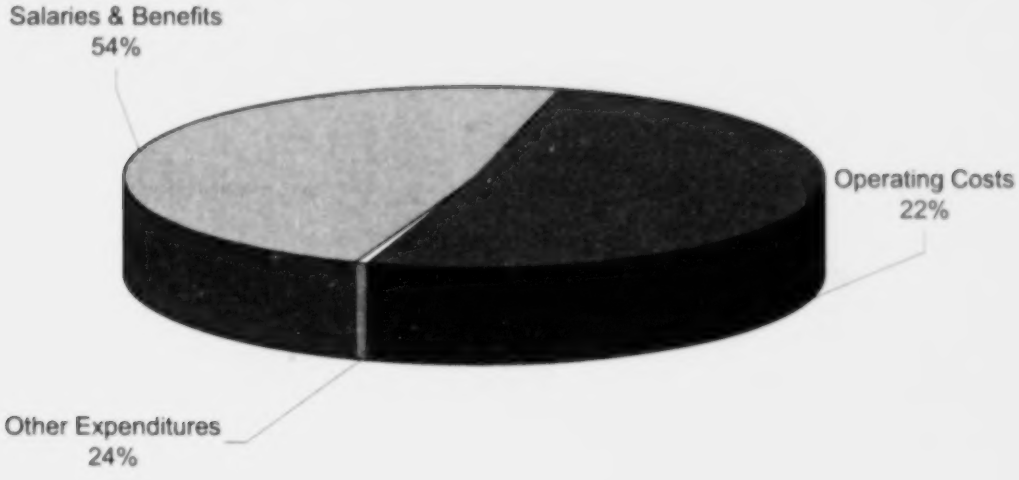
Natural Gas Marketer Licences		
Columbia Energy	$1,000.00	
Nexen Marketing	1,000.00	
Direct Energy (2004/05 and 2005/06)	2,000.00	
Energy Savings (B.C.) Limited	1,000.00	
BP Energy	1,000.00	
Avista Energy	1,000.00	
CEG Energy Options	1,000.00	
		8,000.00
Recoveries from Intra-Provincial Oil Pipelines and Other Companies		
Duke Energy Field Services Canada Ltd.	1,000.00	
Enerplus Resources Fund	1,000.00	
Plateau Pipe Line Ltd.	5,000.00	
Terasen Pipelines (Jet Fuel) Inc.	1,000.00	
Keyera Energy	1,000.00	
Canadian Natural Resources (2004/05 and 2005/06)	2,000.00	
JJH Equipment Trust	1,000.00	
Westcoast Gas	1,000.00	
		13,000.00
Miscellaneous Revenues		
BCUC recovery of overpayment (Temporarily Yours)	9.00	
Commission Contracts with:		
~ Yukon Utilities Board	38,754.95	
~ Saskatchewan Rate Review Panel	4,485.35	
Recovery of Proceeding Costs from Utilities	1,296,569.95	
Recovery of Room Rental and Photocopying Costs	3,250.00	
Deferred Revenue from 2004/05 (credited to utilities' quarterly billings in 2005/06)	771,240.88	
		2,114,310.13
TOTAL REVENUES		**$5,394,564.12**

Commission Expenditures per Expense Category	Expenditures 2005/06 Fiscal Year (Actual)
Salaries and Benefits	2,331,456.76
Operating Costs	2,473,569.02
Other Expenditures	22,319.30
Contract Commitment	5,830.04
TOTAL EXPENDITURES	**$4,833,175.12**

REVENUES



EXPENDITURES



Corporate Governance

The Utilities Commission Act provides for a Chair, one or more Deputy Chairs, up to seven Commissioners [including the Chair and Deputy Chair(s)], and temporary Commissioners. As of March 31, 2006, there are six temporary Commissioners, two full-time Commissioners and the Chair.

Following are brief biographies for Commissioners and temporary Commissioners serving in the 2005/06 fiscal year:

Robert H. Hobbs, Chair and Chief Executive Officer

Brandon University, 1979 (B.Sc. Mathematics); University of Manitoba, 1982 (LL.B); University of Western Ontario, 1987 (M.B.A.); 1989 - 2001 Aquila Networks Canada (British Columbia) Ltd., last position held Vice President, Regulatory and Legislative Services; Member of the Law Society of British Columbia (inactive); appointed full-time Commissioner March 2003; appointed Chair and Chief Executive Officer August 2003.

Lori Ann Boychuk, Commissioner

University of Western Ontario (L.L.B.); Senior Legal Counsel, National Energy Board (1992-94 and 1997-2003); Legal Assistant to the Chief Justice, Court of Queen's Bench of Alberta (1995-97); Clerk to the Chief Justice, Federal Court of Canada, Trial Division (1990-1992); articled with McCarthy Tétrault (Alberta) and Fraser, Milner (Ontario); and, prior to legal/energy career, Personnel/Human Resources and Communications positions in the Federal Government of Canada (1980-1986); appointed August 2003.

Leonard F. Kelsey, Commissioner

Vice President British Columbia Automobile Association (18 years); Chief Operating Officer, BCAA Insurance Corporation, retired 2002; past Member B.C. Committee, Insurance Bureau of Canada; Public Administrator and past Chair, North Shore Health Region; independent Business Consultant; appointed September 2003.

Nadine F. Nicholls, Temporary Commissioner

University of British Columbia, 1976 (B.Sc. Mathematics); University of British Columbia, 1982 (M.Sc.); rates economist, British Columbia Hydro and Power Authority (1980-83); electricity utilities advisor, Government of the Northwest Territories (1990-92); energy policy consultant in the Northwest Territories (1993-98); appointed March 2000.

Robert J. (Bob) Milbourne, Temporary Commissioner

University of British Columbia (BASc. Metallurgical Engineering); P.Eng. (B.C., Ontario); Stelco Inc., retired as Senior Executive and Member of the Board of Directors 1996; Principal, Milbourne and Company (Business Advisors) 1997; Hatch Associates Ltd., Director 1997-2002; Bruce Power Inc., Director 2001); Member Ontario Human Rights Commission 1991-1996); Member, B.C. Securities Commission 2002; appointed August 2003.

Peter E. Vivian, Temporary Commissioner

University of Toronto, 1965 (Bachelor of Applied Science – Electronics); University of Western Ontario (Bachelor of Law); Flight Lieutenant, RCAF; Professor of Law at the universities of Western Ontario, Ottawa and Victoria; General Manager, Canadian Law Information Council (1975-77); various positions with the BCE Inc. group of companies (1977-97); Vice President and Chief of Staff, The Business Council on National Issues (now

the Council of Canadian Chief Executives) (1982-84, 1989-90); Executive Director, Telecommunications, CRTC (1998-2000); Principal, Vivian Associations, Consultants to Management (2000-present); appointed August 2003.

Liisa A. O'Hara, Temporary Commissioner

University of British Columbia, 1976 (M.Sc., Business Administration), Certified General Accountant, 1984, Senior pipeline executive (21 years), retired from Terasen Pipelines in 2004 as Vice President, Financial Services and Regulatory Affairs; prior to the career in energy, Manager Financial Analysis and Regulatory Affairs with CP Air (8 years). Currently serves as Executive-In-Residence at Sauder School of Business, UBC; appointed in January 2005.

Anthony T. Pullman, Temporary Commissioner

Keble College Oxford (B.A. 1967 , M.A. 2001) Chartered Accountant 1970; retired from the ATCO Group in 2004 after 24 years of service -Vice President Controller Alberta Power Limited (1980-1985); Vice President Controller and Vice President Planning and Budgeting ATCO Ltd (1985-1993); Senior Vice President Finance ATCO Power Ltd (1993-2004); Chairman Calgary District Hospital Group (1989-1991); Chairman Alberta Blue Cross Plan (1996-1998); appointed March 2006.

A.W. (Keith) Anderson, Temporary Commissioner

Bachelor of Commerce, University of Alberta, Chartered Accountant; Retired from PricewaterhouseCoopers in 2001 as Partner responsible for PwC's Energy Utilities practice in Canada; over 35 years experience as a strategic planning, financial, and regulatory consultant in the energy utilities and other sectors including gas, electric and pipeline utilities, financial institutions, telecommunications and transportation companies; currently an independent financial and management advisory consultant and serves as a director and advisor of private corporations; appointed April 1, 2006.

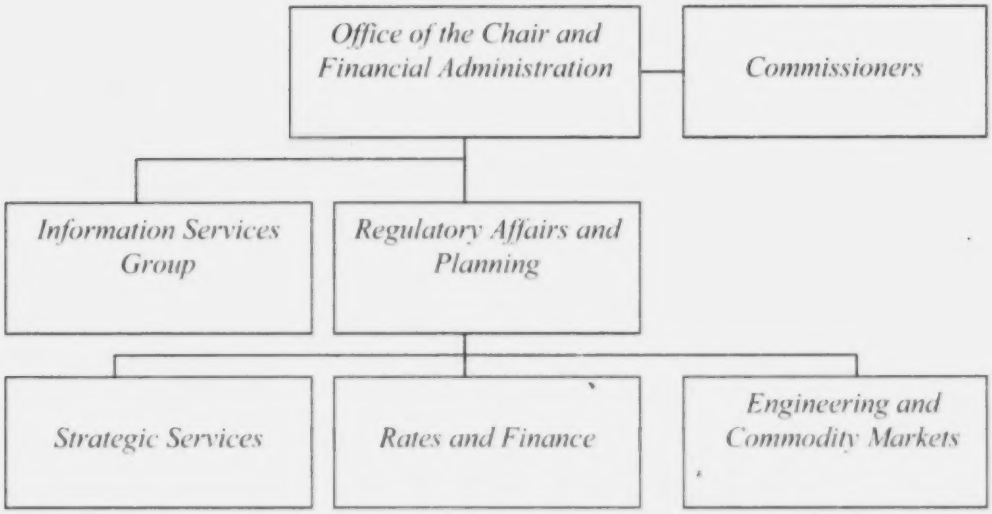
Paul G. Bradley, Temporary Commissioner

Cornell University, 1956 (B. Chemical Engineering); Massachusetts Institute of Technology, 1966 (Ph.D. Economics); Postdoctoral Fellow, Sloan School of Management, MIT (1969-70); Visiting Scholar, Centre for Energy Policy Research, MIT (1978-79); Director, Mineral Revenues Inquiry, State of Western Australia (1984-86); Resident Consultant, Dept. of Energy, Mines & Resources, Ottawa (1987); Professor Emeritus, University of British Columbia (1965-96); appointed September 1992; OIC expired January 2005.

Robert W. Whitehead, Temporary Commissioner

Western Ontario Institute of Technology, 1965 [Chemical Technology]; Wayne State University, Detroit, Mich., 1978 [B. Chemistry], Vice president Operations, Corby Distilleries Ltd, Montreal, PQ, [1985-88] [, Vice President and Plant Manager, Allied Domecq, Kelowna, BC, [1988-95], Managing Director Canadian Lakes Distillers [1992-96], President Group One Enterprises Ltd. Served on Board of Directors of Aquila Networks [1997-2003], appointed February, 2005; Resigned March 2006.

The organization chart below shows the reporting structure within the Commission.



The Chair is responsible for managing human resources, performance management, and compensation issues.

The Commission staff is divided into three groups:

- **Information Services Group**

Consists of the Commission Secretary, the Assistant Commission Secretary, and the Information Services Group. The Commission Secretary acts as the official contact for both regulated utilities and the public. The department responds to all information requests (including Freedom of Information requests), prepares Annual Reports and quarterly Regulatory Updates, provides research support, web site services, media interaction, maintains Application Exhibit Binders, the Commission's database of mailing lists, and library services. It also deals with utility customer complaints and operates and maintains the Commission's information resources.

- **Regulatory Affairs and Planning**

Consists of professional staff with expertise and experience in the areas of accounting, economics, ratemaking, and engineering. The regulatory affairs and planning functions of the Commission include the review of financial, accounting, social and economic aspects of energy utility activities and of the provision of Basic automobile insurance by ICBC. The regulatory affairs staff also reviews energy supply and demand, including conservation impacts, and the safety aspects of energy production, transmission, and distribution. In

considering a matter under review by the Commission, staff have a responsibility to develop a full record of evidence. This often requires that staff be technical advisors to the Commission, and also provide external expert witnesses to testify at hearings.

- **Office of the Chair and Financial Administration**

Conducts background research and prepares decision support for management policies and decisions in areas such as personnel and financial management, budget preparation, internal policies, external relations with government, other agencies, utilities and the public. Also provides a range of administrative, financial and human resource services to the Commissioners and staff.

Following is a list of the Commission staff as of March 2006, their positions, and departments.

OFFICE OF THE CHAIR AND FINANCIAL ADMINISTRATION

Marilyn E. Donn	_____	Assistant to the Chair and Manager, Financial Administration
Denise Goddard	_____	Financial Assistant/Administrative Clerk

COMMISSION SECRETARY'S OFFICE AND INFORMATION SERVICES GROUP

Robert J. Pellatt	_____	Commission Secretary
Constance M. Smith	_____	Assistant Commission Secretary
Alison H. Cormack	_____	Information Services Officer
Debra L. Frank	_____	Administrative Clerk
Yvonne M. Lapierre	_____	Administrative Clerk
Bonita Harvey	_____	Administrative Clerk/Web Administrator
Kathy Grasty	_____	Administrative Clerk/Receptionist

REGULATORY AFFAIRS AND PLANNING

William J. Grant	_____	*Transition Advisor*
Rose A. Tomen	_____	Administrative Clerk

STRATEGIC SERVICES

James W. Fraser	_____	Director
Eileen Cheng	_____	Senior Economist
Rob B. Gorter	_____	Senior Economist

Rates and Finance

Philip W. Nakoneshny	_____	Director
Werner J. Krampl	_____	Senior Financial Analyst
Fong Y. Kwok	_____	Financial Analyst
Doug Chong	_____	Financial Analyst
Susanne Sue	_____	Financial Analyst

Engineering and Commodity Markets

J. Brian Williston	_____	Director
Robert W. Rerie	_____	Senior Electrical Engineer
Robert N. Brownell	_____	Senior Commodities Analyst

Supplementary Information

Regulated Utilities

CROWN-OWNED ELECTRIC UTILITIES	SERVICE AREA
British Columbia Hydro and Power Authority 333 Dunsmuir Street Vancouver, BC V6B 5R3 Email Contact: regulatory.group@bchydro.com	Lower Mainland, Vancouver Island, Central and Northern BC and East Kootenay Regions
British Columbia Transmission Corporation Suite 1100, Four Bentall Centre 1055 Dunsmuir Street PO Box 49260 Vancouver, BC V7X 1V5 Email Contact: bctc.regulatory@bctc.com	BC Transmission and Integrated Grid System

INVESTOR-OWNED ELECTRIC UTILITIES	SERVICE AREA
Corix Multi Utility Services Inc.* (formerly Sun Rivers Services Corp.) #1128 Burdette Street Richmond, BC V6V 2Z3 Email: glenn.laufer@corix.com	Lot 152, CLSR Plan 78619 Kamloops IR No. 1
Hemlock Valley Electrical Services Limited** 20955 Hemlock Valley Road Agassiz, BC V0M 1A1 Email Contact: hvrsales@uniserve.com	Hemlock Valley
Princeton Light and Power Company, Limited Box 700 Princeton, BC V0X 1W0 Email Contact: johnh@plpower.com	Princeton, Osprey Lake and Missezula Lake Areas
Silversmith Power & Light Corporation Box 369 New Denver, BC V0G 1S0 Email Contact: silversmith@netidea.com	Sandon, BC
FortisBC Inc. (formerly Aquila Networks Canada (British Columbia) Ltd.) P.O. Box 130 Trail, BC V1R 4L4 Email Contact: regulatory@fortisbc.com	West Kootenay and Okanagan Regions of BC

* Effective May 19, 2006, Terasen Multi-Utility Services Inc. was sold by Kinder Morgan, Inc. to Corix Utilities and is operated as Corix Multi Utility Services Inc.

** Effective December 15, 2005, Hemlock Valley Electrical Services Ltd. is being operated by the Receiver Manager of Hemlock Valley Group, Mackay & Company.

INVESTOR-OWNED ELECTRIC UTILITIES *(CONTINUED)*	SERVICE AREA
The Yukon Electrical Company Limited Box 4190 Whitehorse, Yukon Territory Y1A 3T4 Facsimile Contact: (867) 668-3965	Lower Post

INVESTOR-OWNED NATURAL GAS OR PROPANE UTILITIES	SERVICE AREA
Big White Gas Utility P.O. Box 2039, Station "R" Kelowna, BC V1X 4K5 Email Contact: mvalcourt@bigwhite.com	Big White ski area
Cal-Gas Inc. 4255 – 64th Avenue S.E. Calgary, Alberta T2C 2C8 Facsimile Contact: (403) 279-9098	Canyon Ridge and Sonoma Pines
Corix Multi Utility Services Inc.* 1128 Burdette Street Richmond, BC V6V 2Z3 Email: glenn.laufer@corix.com	Lot 152, CLSR Plan 78619 Kamloops IR No. 1, Panorama and Sonoma Pines
Pacific Northern Gas Ltd. 950 - 1185 West Georgia Street Vancouver, BC V6E 4E6 Email Contact: info@png.ca	Summit Lake to Prince Rupert and Kitimat
Pacific Northern Gas (N.E.) Ltd. 950 - 1185 West Georgia Street Vancouver, BC V6E 4E6 Email Contact: info@png.ca	Dawson Creek, Rolla, Pouce Coupe, Tumbler Ridge, Fort St. John
Pacific Northern Gas Ltd. 950 - 1185 West Georgia Street Vancouver, BC V6E 4E6 Email Contact: info@png.ca	Granisle (Propane Grid System)
Port Alice Gas Inc. #101 - 4381 Dawson Street Burnaby, BC V5C 4B4 Email: haywoodenergy@hotmail.com	Port Alice (Propane Grid System)

* Effective May 19, 2006, Terasen Multi-Utility Services Inc. was sold by Kinder Morgan, Inc. to Corix Utilities and is operated as Corix Multi Utility Services Inc.

INVESTOR-OWNED NATURAL GAS OR PROPANE UTILITIES *(CONTINUED)*	SERVICE AREA
Stargas Utilities Ltd. P.O. Box 3002 Silver Star Mountain, BC V1B 3M1 Email Contact: stargas@shaw.ca	Silver Star resort community
Sun Peaks Utilities Co., Ltd. 1280 Alpine Road Sun Peaks, BC V0E 1Z1 Email Contact: utilities@sunpeaksresort.com	Resort area north of Kamloops
Terasen Gas Inc. (formerly BC Gas Utility Ltd.) 1111 West Georgia Street Vancouver, BC V6E 4M4 Email: regulatory.affairs@terasengas.com	Lower Mainland, Fort Nelson, Central and Northern Interior, the Kootenays and the Okanagan
Terasen Gas (Vancouver Island) Inc. (formerly Centra Gas British Columbia Inc.) 1675 Douglas Street, P.O. Box 3777 Victoria, BC V8W 3V3 Email: regulatory.affairs@terasengas.com	Sunshine Coast, Powell River, and Vancouver Island north to Campbell River, west to Port Alberni, and south to Victoria
Terasen Gas (Whistler) Inc. (formerly Centra Gas Whistler Inc.) 1675 Douglas Street, P.O. Box 3777 Victoria, BC V8W 3V3 Email: regulatory.affairs@terasengas.com	Whistler (Propane Grid System)
Terasen Gas (Squamish) Inc. (formerly Squamish Gas Co. Ltd.) 1111 West Georgia Street Vancouver, BC V6E 4M4 Email: regulatory.affairs@terasengas.com	Squamish (Natural Gas)

INVESTOR-OWNED STEAM HEAT UTILITY	SERVICE AREA
Central Heat Distribution Limited 720 Beatty Street Vancouver, BC V6B 2M1 Email Contact: CHDL@telus.net	Downtown Vancouver

Regulated Company	Service Area
Compulsory Automobile Insurance	
Insurance Corporation of British Columbia Suite 517 - 151 West Esplanade North Vancouver, B.C. V7M 3H Email Contact: regaffairs@icbc.com	Province of British Columbia
Municipally-Owned Electric Utilities	**Service Area**
Municipally-owned electric utilities are not regulated under the Utilities Commission Act. Only the City of Nelson's electric utility with service outside of the Municipal boundaries is subject to regulation by the British Columbia Utilities Commission.	
City of Grand Forks Box 220 Grand Forks, BC V0H 1H0	Grand Forks
City of Kelowna 1435 Water Street Kelowna, BC V1Y 1J4	Kelowna
City of Nelson (also known as Nelson Hydro) 502 Vernon Street Nelson, BC V1L 4E8	Nelson (urban and rural areas)
City of New Westminster 511 Royal Avenue New Westminster, BC V3L 1H9	New Westminster
City of Penticton 616 Okanagan Avenue East Penticton, BC V2A 3K6	Penticton
District of Summerland Box 159 Summerland, BC V0H 1Z0	Summerland

Domestic Electricity Sales - 2005

	Customers #	Revenue ($000)	Sales (GW.h)
CROWN-OWNED ELECTRIC UTILITY			
British Columbia Hydro and Power Authority	1,694,302	2,695,585	50,756.01
MUNICIPALLY-OWNED ELECTRIC UTILITIES			
City of Grand Forks	2,050	2,808	35.78
City of Kelowna	12,718	19,469	296.83
City of Nelson	9,285	10,335	149.43
City of New Westminster	28,428	23,591	391.28
City of Penticton	15,426	21,366	319.11
District of Summerland	5,236	6,538	88.62
Total Municipally-Owned	73,143	84,107	1,281.05
INVESTOR-OWNED ELECTRIC UTILITIES			
FortisBC Inc.	96,401	141,627	2,051.00
Hemlock Valley Electrical Services Limited	220	221	1.35
Princeton Light and Power Company, Limited	3,174	5,541	72.89
Silversmith Light & Power Corporation	11	28	0.06
Terasen Multi-Utility Services Inc. TMUS – Sun Rivers[4]	263	281	4.40
The Yukon Electrical Company Limited Lower Post BC	76	108	0.68
Total Investor-Owned	100,145	147,806	2,130.38
TOTAL ALL ELECTRICAL UTILITIES	**1,867,590**	**2,927,498**	**54,167.44**

NOTES:

1. 1 gigawatt hour (GW.h) = 1 million kilowatt hours.
2. Figures reported are for the 2005 calendar year. Customers reported are as at December 31, 2005.
3. Revenues and sales for BC Hydro and FortisBC Inc. are net of sales to other reporting electrical utilities identified in this table.
4. Effective May 19, 2006, Terasen Multi-Utility Services Inc. was sold by Kinder Morgan, Inc. to Corix Utilities and is operated as Corix Multi Utility Services Inc.

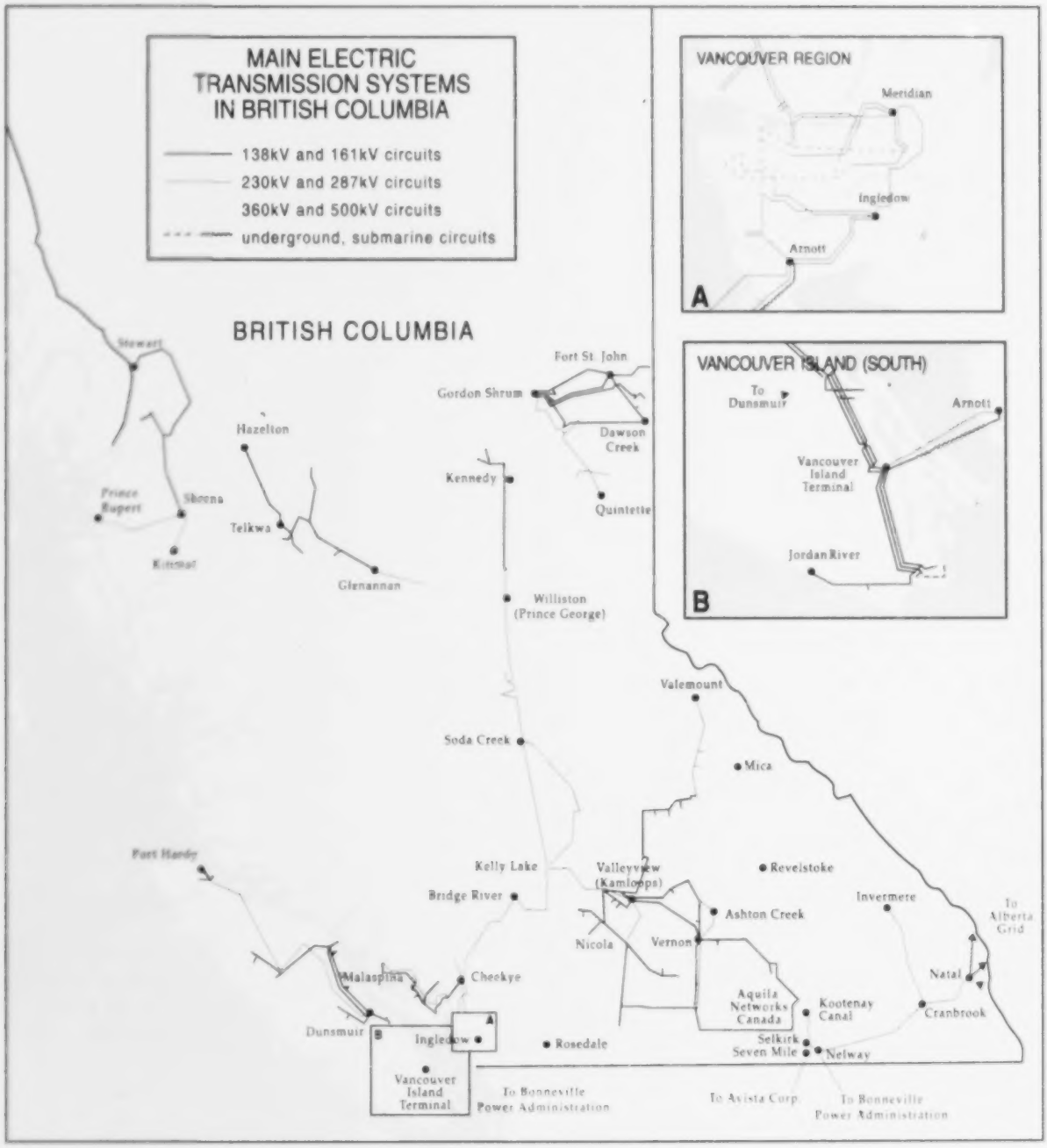
Domestic Gas Sales - 2005

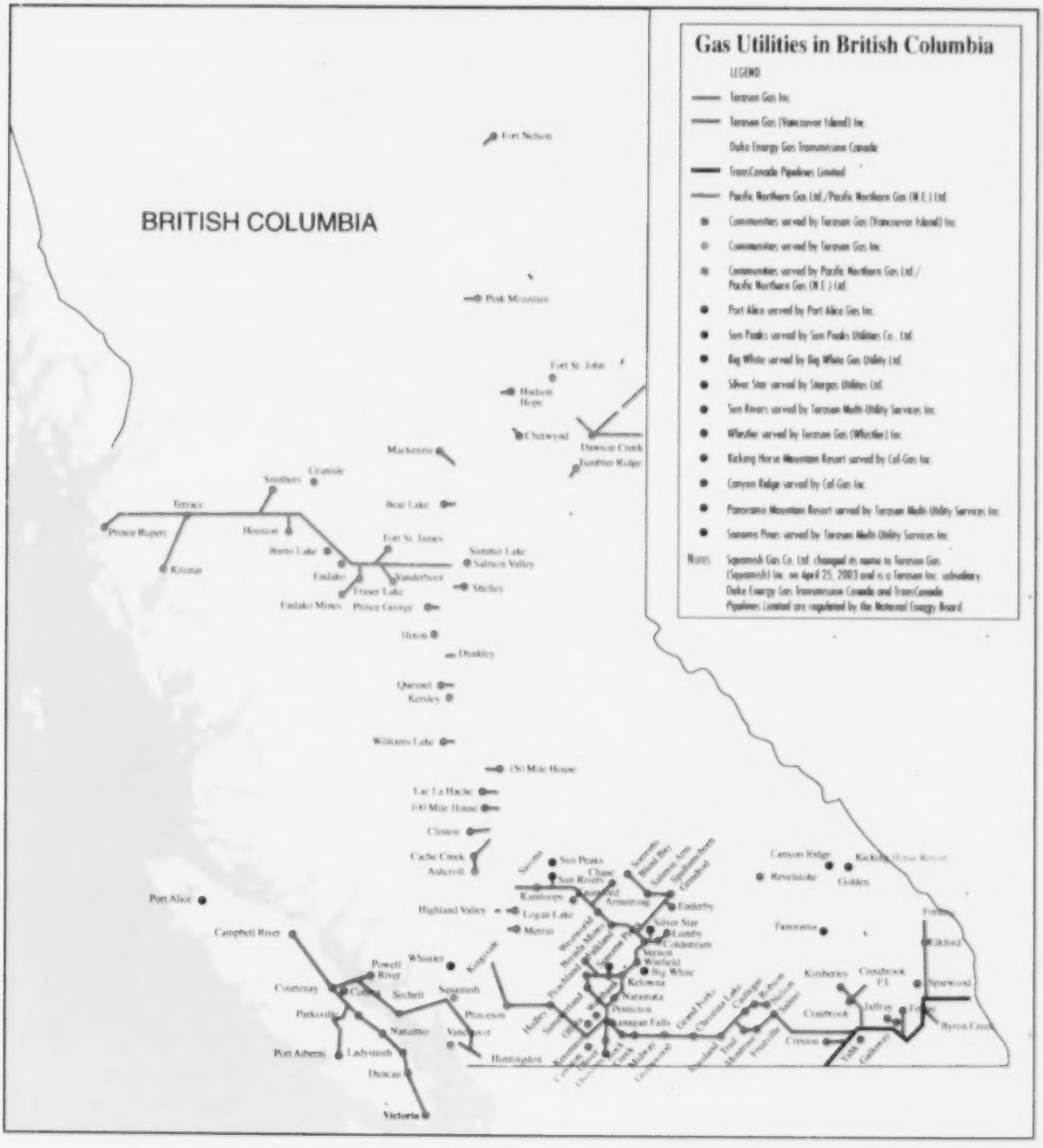
	Customers #	Revenue ($000)	Sales (GJ)(000)
INVESTOR-OWNED NATURAL GAS UTILITIES			
Terasen Gas Inc.			
Lower Mainland Division	559,612	1,060,236	117,024
Inland Division	216,821	325,128	52,483
Columbia Division	21,460	34,689	6,013
Fort Nelson Division	2,341	5,210	920
Terasen Gas (Squamish) Inc.	2,980	3,720	330
Terasen Gas (Vancouver Island) Inc.			
Vancouver Island, Powell River and Sunshine Coast areas	85,019	164,010	33,618
Pacific Northern Gas (N.E.) Ltd.			
Fort St. John Inc./Dawson Creek Division	15,833	33,272	4,450
Tumbler Ridge Division	1,130	2,043	690
Pacific Northern Gas Ltd.	22,159	123,853	27,692
Terasen Multi-Utility Services Inc.[3]			
TMUS - Sun Rivers	184	59	3
TMUS – Sonoma Pines	66	60	4
TOTAL INVESTOR-OWNED	927,615	1,752,280	243,227
INVESTOR-OWNED PROPANE GRID SYSTEM UTILITIES			
CalGas Inc. - Kickinghorse	57	130	10
Big White Gas Utility Ltd.	177	742	38
Terasen Gas Inc. (Revelstoke)	1,499	3,470	221
Terasen Gas (Squamish) Inc.	24	33	2
Terasen Gas (Whistler) Inc.	2,365	10,690	753
Terasen Multi-Utility Services Inc.[3]			
TMUS - Panorama	183	789	39
Pacific Northern Gas Ltd.			
Granisle Grid	169	272	14
Port Alice Gas Inc.	266	355	13
Sun Peaks Utilities Co. Ltd.	657	1,521	74
Stargas Utilities Ltd.	211	525	32
Total Propane Grid Systems	5,608	18,527	1,196
TOTAL ALL GAS UTILITIES	933,223	1,770,807	244,423

NOTES:

1. 1 gigajoule (GJ) is approximately equivalent to 0.910 mcf (mcf = one thousand cubic feet) or 0.0258 10^3m^3 of natural gas or 0.376 mcf of propane vapour in L.P. gas grid systems.
2. Figures reported are for the 2005 calendar year. Customers reported are as at December 31, 2005.
3. Sales of GJ shown include sales to end-use customers plus gas owned by customers and transported to their industrial operations by utilities.
4. Revenues reported for natural gas utilities include only transportation margins for large industrial customers who have purchased gas supplies directly from producers or aggregators.
5. Effective May 19, 2006, Terasen Multi-Utility Services Inc. was sold by Kinder Morgan, Inc. to Corix Utilities and is operated as Corix Multi Utility Services Inc.

Main Electric Transmission and Power Generating Facilities




Gas Utilities in British Columbia
LEGEND
Terasen Gas Inc.
Terasen Gas (Vancouver Island) Inc.
Duke Energy Gas Transmission Canada
TransCanada Pipelines Limited
Pacific Northern Gas Ltd./Pacific Northern Gas (N.E.) Ltd.
Communities served by Terasen Gas (Vancouver Island) Inc.
Communities served by Terasen Gas Inc.
Communities served by Pacific Northern Gas Ltd./ Pacific Northern Gas (N.E.) Ltd.
Port Alice served by Port Alice Gas Inc.
Sun Peaks served by Sun Peaks Utilities Co., Ltd.
Big White served by Big White Gas Utility Ltd.
Silver Star served by Sturgeon Utilities Ltd.
Sun Rivers served by Terasen Multi Utility Services Inc.
Whistler served by Terasen Gas (Whistler) Inc.
Kicking Horse Mountain Resort served by Col-Gas Inc.
Canyon Ridge served by Col-Gas Inc.
Panorama Mountain Resort served by Terasen Multi Utility Services Inc.
Sonoma Pines served by Terasen Multi Utility Services Inc.
NOTES
Squamish Gas Co. Ltd. changed its name to Terasen Gas (Squamish) Inc. on April 25, 2003 and is a Terasen Inc. subsidiary.
Duke Energy Gas Transmission Canada and TransCanada Pipelines Limited are regulated by the National Energy Board.
BRITISH COLUMBIA
Fort Nelson
Fort St. John
Hudson Hope
Chetwynd
Dawson Creek
Tumbler Ridge
Mackenzie
Granisle
Southern
Terrace
Prince Rupert
Kitimat
Houston
Burns Lake
Fort St. James
Summit Lake
Salmon Valley
Endako
Vanderhoof
Fraser Lake
Endako Mines
Prince George
Shelley
Bear Lake
Hixon
Dunkley
Quesnel
Kersley
Williams Lake
150 Mile House
Lac La Hache
100 Mile House
Clinton
Cache Creek
Ashcroft
Port Alice
Campbell River
Powell River
Courtenay
Comox
Sechelt
Squamish
Parksville
Nanaimo
Port Alberni
Ladysmith
Duncan
Victoria
Whistler
Pemberton
Princeton
Vancouver
Huntingdon
Highland Valley
Logan Lake
Merritt
Kamloops
Sun Peaks
Sun Rivers
Chase
Barriere
Armstrong
Enderby
Salmon Arm
Silver Star
Lumby
Coldstream
Vernon
Winfield
Big White
Kelowna
Naramata
Penticton
Okanagan Falls
Oliver
Osoyoos
Keremeos
Hedley
Summerland
Peachland
Westwold
Brenda Mines
Lakeview Heights
Glenemma
Falkland
Canyon Ridge
Revelstoke
Golden
Panorama
Fernie
Elkford
Kimberley
Cranbrook
Cranbrook F.I.
Jaffray
Fort Steele
Creston
Yahk
Gateway
Sparwood
Byron Creek
Grand Forks
Christina Lake
Castlegar
Robson
Nelson
Salmo
Rossland
Trail
Montrose
Fruitvale
Warfield
Glenmerry
Blind Bay
Sorrento
Scotch Creek
Malakwa
Columbia

Decisions, Reasons for Decision and Negotiated Settlements

The following summaries cover the period April 1, 2005 through March 31, 2006.

TERASEN GAS INC.
Rate Schedules 7, 10, 14 and 14A
Market-Based Commodity Rate Schedules for 2006/06 Gas Contract Year
Reasons for Decision appended to Order No. G-39-05 dated April 21, 2005

On February 23, 2005, Terasen Gas submitted its application for Rate Schedules 7, 10, 14 and 14A for the November 1, 2005 to October 31, 2006 gas contract year (the "Application"). Terasen Gas proposed to maintain the current terms of service for the most part, but sought approval for a number of changes:

- The Application requesting that Rate Schedule 14 for service to marketers and customers who do not require gas nominating and balancing service be eliminated for 2005/06 was approved;
- The Application requesting the Swing Premium for the Annual Fixed Rate option under Rate Schedule 14A was ordered to be continued at $0.93/GJ;
- Rate Schedule 14A was approved for 2005/06; and
- Rate Schedules 7 and 10 were approved for 2005/06.

PACIFIC NORTHERN GAS (N.E.) LTD.
2005 Rates for FSJ/Dawson Creek & Tumbler Ridge
Reasons for Decision appended to Order No. G-42-05 dated May 5, 2005

On December 17, 2004 Pacific Northern Gas (N.E.) Ltd. applied for approval to adjust rates effective January 1, 2005 for the Fort St. John, Dawson Creek and Tumbler Ridge Divisions. The Application requested for the Fort St. John/Dawson Creek Division an increase in the gas delivery charges in residential and small commercial rates of about 3 to 4 percent and an increase in the gas commodity charges of about 6 to 7 percent to be effective January 1, 2005. The Application requested for the Tumbler Ridge Division an increase in the gas delivery charge in residential rates of about 7 percent, an increase in the gas delivery charge in small commercial rates of about 9 percent, and no rate change in the gas commodity charges effective January 1, 2005.

By Order No. G-115-04, the Commission approved the requested interim increases in the gas delivery charge for the Fort St. John/Dawson Creek Division and permanent rate increases of about 5 percent in gas commodity charges for that Division effective January 1, 2005. The Commission approved the requested interim increases in the gas delivery charges and no rate change in the cost of gas for the Tumbler Ridge Division. Also, the Commission established a Written Public Hearing Process to review the Application.

On May 6, 2005, the Commission issued Order No. G-42-05 and its Reasons for Decision.

TERASEN GAS (VANCOUVER ISLAND) INC.
Liquefied Natural Gas Storage & Delivery Agreement
Reasons for Decision appended to Order No. G-44-05 dated May 18, 2005

On March 31, 2005 TGVI filed for Commission approval, pursuant to Section 61 of the UCA, a Liquefied Natural Gas Storage and Delivery Agreement with Terasen Gas Inc. dated March 31, 2005 (the "LNG Storage Agreement"). Terasen Gas also requested Commission approval of the LNG Storage Agreement pursuant to Section 71 of the UCA. On April 14, 2005 TGVI and Terasen Gas filed several amendments to the LNG Storage Agreement.

Commission Letter No. L-29-05 dated April 11, 2005 to TGVI, Terasen Gas and Intervenors in the proceeding for the TGVI 2005 Resource Plan and CPCN application for the LNG storage project, invited written comments on the applications for approval of the LNG Storage Agreement.

Avista Energy, Inc., British Columbia Hydro and Power Authority and the BC Old Age Pensioners' Organization et al. filed comments on the LNG Storage Agreement. On April 20, 2005, TGVI and Terasen Gas replied to the comments and proposed several additional amendments to the LNG Storage Agreement.

Following the written review process, the Commission approved, pursuant to Section 61 of the UCA, the LNG Storage Agreement, as amended by the April 14, 2005 and April 20, 2005 letters from TGVI and Terasen Gas. The Commission also approved the annual Capacity Demand Rate of $1.44 per gigajoule of Storage Capacity, the annual Vapourization Demand Rate of $57.60 for each gigajoule per day of Firm Vapourization Rate and the Liquefaction Commodity Charge of $0.75 per gigajoule, as set out in Schedule A that accompanied the LNG Storage Agreement.

INSURANCE CORPORATION OF BRITISH COLUMBIA
A Filing Relating to Selected Financial Allocation Functions
Negotiated Settlement Agreement appended to Order No. G-46-05 dated May 18, 2005

On March 10, 2005, the ICBC submitted a filing ("Submission A") relating to seven selected financial allocation functions used in ICBC's allocation methodology. Submission A was in response to directions issued by the British Columbia Utilities Commission in its Decision dated January 19, 2005 ("Decision") and Letter No. L-13-05 ("Letter").

A Negotiated Settlement Agreement was reached between ICBC and most of the participants. The Negotiated Settlement Agreement ("NSA") and the letters of comment were circulated to all Negotiated Settlement Participants and the Commission Panel on April 27, 2005.

The NSA contained 12 letters of comment from the participants. Nine letters of comment from the participants, including ICBC, accepted the NSA. One letter of comment from a participant indicated that while they are prepared to accept the NSA, they had ongoing concerns regarding certain of the information brought forward by ICBC and the approach to certain of the allocators. Another letter of comment from a participant accepted the NSA in principle with the exception of the In-House Counsel (Provincial Litigation Services) allocation function, which they did not accept. One participant provided a letter of dissent dated May 2, 2005.

The Commission Panel reviewed the NSA for the seven selected financial allocation functions and Submissions A and B and approved the NSA, as issued on April 27, 2005.

FORTISBC INC.
2005 Revenue Requirements; 2005-2024 System Development Plan and 2005 Resource Plan
Decision dated May 31, 2005 and Order No. G-52-05

On November 26, 2004 FortisBC Inc. ("Fortis") applied to the Commission for approval of a rate increase of 4.4 percent effective January 1, 2005. The rate increase reflected an increased rate base and an increase in the cost of financing that rate base. Also, it reflected an increase in 2005 expenses, including operating expenses and power purchases. The Commission approved an interim rate increase of 3.7 percent effective January 1, 2005, subject to refund with interest following the Oral Public Hearing scheduled for Kelowna, B.C.

As part of its Application, Fortis filed its 2005 – 2024 System Development Plan and its 2005 Resource Plan. Fortis scheduled three workshops to explain, and to seek stakeholder input on its Revenue Requirements Application and its System Development Plan and Resource Plan. Also, Fortis scheduled its 2004 Annual Review in Kelowna, B.C. on January 20, 2005 to review the incentive sharing regarding 2004 power purchase costs and other expenses. A Pre-hearing Conference was held on January 21, 2005 in Kelowna, B.C. which sought input from participants on the proposed regulatory process to deal with the 2005 Revenue Requirements Application, System Development Plan, and Resource Plan.

By Order No. G-14-05 and attached Regulatory Timetable, the Commission amended and finalized the regulatory schedule. An Oral Public Hearing commenced on March 21, 2005 in Kelowna, B.C. and concluded on March 24, 2005. Written Final Arguments and Reply Arguments were completed on April 29, 2005.

On May 31, 2005 the Commission issued its Decision approving a general rate increase consistent with the adjustments set out in the Decision.

BRITISH COLUMBIA TRANSMISSION CORPORATION
Open Access Transmission Tariff Application
BRITISH COLUMBIA HYDRO AND POWER AUTHORITY
Interconnected Operations Services to BCTC Application
Decision dated June 20, 2005 and Order No. G-58-05

On August 3, 2004 BCTC applied for approval for an Open Access Transmission Tariff ("OATT"). The OATT replaces the Wholesale Transmission Service Tariff of British Columbia Hydro and Power Authority as the tariff applicable for the provision of open-access transmission service on the B.C. Hydro transmission system.

On August 4, 2004, BC Hydro filed an application to establish rates, terms and conditions for Interconnected Operations Services ("IOS") to be offered to BCTC once it becomes responsible for offering and providing transmission services through the OATT.

By Order No. G-81-04, the Commission required that the BC Hydro IOS Application be heard at the same time as BCTC's OATT Application and that there would be one record for both Applications and that the Oral Public Hearing process should be established according to the Regulatory Timetable.

On December 15, 2004 the Commission held a Pre-hearing Conference and determined that due to scheduling conflict, the Regulatory Agenda for the proceeding was revised as set out in Appendix A to Order No. G-120-04. The Oral Public Hearing commenced on February 28 and concluded on March 8, 2005. The Applicants' Final Argument was due on April 12, 2005, followed by the Oral Phase of Closing Argument on April 19, 2005.

Following consideration of all the evidence filed at the public hearing, the Commission Panel issued its Decision on June 20, 2005 and Order No. G-58-05 with the following approvals:

1. The OATT Application, as revised by Exhibits B1-7 and B1-27, including the OATT Terms and Conditions of Service, rate design and new Interconnection Tariff, was approved subject to the determinations and directions contained in the attached Decision.

2. Industrial customers served under BC Hydro Rate Schedule 1821 or a successor to Rate Schedule 1821 are Eligible Customers under the OATT.

3. BC Hydro's Tariff Supplement No. 30 and Rate Schedules 3003 to 3010 were closed as at the effective date of the OATT.

4. BC Hydro Rate Schedule 3011, as amended in Exhibit B2-19, and Rate Schedules 3012, 3013, 3014 and 3015 were approved.

BRITISH COLUMBIA TRANSMISSION CORPORATION
Fiscal 2006 Revenue Requirements
Negotiated Settlement Agreement appended to Order No. G-60-05 dated June 23, 2006

On December 23, 2004 BCTC applied for approval of rates effective April 1, 2005. BCTC applied for interim rates based on the forecast Deemed Equity Component as of April 1, 2005. After April 1, 2005 and determination of the actual Deemed Equity Component, BCTC intended to request permanent rates for 2006 based on the actual April 1, 2005 Deemed Equity Component.

By Order No. G-8-05, the Commission established a Regulatory Timetable for registration and scheduled a Pre-hearing Conference for February 14, 2005 to identify principal issues and address procedural matters related to the process. By Order No. G-17-05, the Commission re-scheduled the Pre-hearing Conference to March 3, 2005 where participants reviewed and commented on the Draft Issues List. Three additional issues were requested to be included by the Joint Electricity Steering Committee and the BC Old Age Pensioners' Organization.

By Order No. G-25-05, the Commission established a Negotiated Settlement Process, which was held on May 25, 2005. On June 14, 2005 the Commission circulated the proposed settlement package to all participants and requested comments by June 21, 2005. The Commission reviewed the Negotiated Settlement, the letters of support filed by participants in the NSP and Letter of Comment from a non-participant and by Order No. G-60-05 approved the Negotiated Settlement on June 23, 2005.

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY
Transmission Services Rates
Negotiated Settlement appended to Order No. G-79-05 dated August 29, 2005

On March 10, 2005, BC Hydro filed its Transmission Service Rate Application ("TSRA"), pursuant to sections 58 and 61 of the UCA. The TSRA requested approval of new tariffs and amendments to existing tariffs for customers taking service at transmission voltage, to implement stepped and time-of-use rates for transmission service customers.

A Workshop and NSP were held from May 16 through May 18, facilitated by Commission staff. A Negotiated Settlement and draft CBL Guidelines were circulated to NSP participants on a confidential basis on June 3, 2005. Comments from NSP participants were received by June 10, 2005. Most parties supported the Negotiated Settlement. Taylor Gas Liquids Limited Partnership, CBT Energy Inc., BCTC did not.

The NSP documents were made public on June 15, 2005, and along with the comments from NSP participants, were circulated to Intervenors who had not participated. Two responses were received, both supporting the proposed Negotiated Settlement.

On August 29, 2005 the Commission issued Order No. G-79-05 and its Reasons for Decision approving the Negotiated Settlement as issued on June 15, 2005.

PACIFIC NORTHERN GAS LTD.
Application to Recapitalize under an Income Trust Ownership Structure
Decision dated September 9, 2005 and Order No. G-84-05

On December 17, 2004, PNG filed two applications with the Commission: an "Application for approval to Convert to an Income Trust" ("Income Trust Application") and an application for approval of its 2005 Revenue Requirements Application to amend its rates on an interim and final basis, effective January 1, 2005, pursuant to Sections 89 and 58 of the UCA (collectively "the Applications").

Following the Pre-hearing Conference held on January 20, 2005 in Vancouver to address procedural matters related to the Applications, including the identification of principal issues and the process options for review of the Applications, an oral public hearing was held in Vancouver from May 10, 2005 to May 13, 2005, to review the Income Trust Application, along with the capital component of the 2005 Revenue Requirement Application.

The Commission approved the Income Trust Application subject to the modifications, conditions and directions identified in the Decision dated September 9, 2005.

BRITISH COLUMBIA TRANSMISSION CORPORATION
Transmission System Capital Plan F2006 to F2015
Decision dated September 23, 2005 and Order No. G-91-05

BCTC filed its Transmission System Capital Plan F2006 to F2015 ("the Application") pursuant to section 45(6) and 45(6.1) of the UCA. In its application BCTC was seeking an order which states that this plan meets the requirements of Sections 45(6) and 45(6.1) of the UCA, approves the 2005 Capital Plan under subsection 45(6.2) (a) and pursuant to Section 45(6.2) (b) approves all projects starting in F2006 and F2007 as listed in Section 7 of the Application.

A written hearing processes for the review of the Application was established by Order No. G-33-05.

Following consideration of the Application, evidence, and views of intervenors and the Applicant the Commission determined that the Application met the requirements of Section 45(6) and 45 (6.1) of the UCA. BCTC was directed to comply with all determinations and instructions set out in the Decision.

TERASEN GAS INC.
Transactions related to the Southern Crossing and Inland Pacific Connector
Reasons for Decision appended to Order No. G-98-05 dated October 5, 2005

The Commission, by Order No. C-11-99, approved a Certificate of Public Convenience and Necessity for BC Gas Utility Ltd. ["BC Gas", now Terasen Gas Inc.] for the Southern Crossing Pipeline ("SCP") project. The Order also approved a Firm Tendered Transportation Service Agreement ("TSA") for approximately 52.5 MMcfd of SCP capacity from Yahk or Kingsvale to Huntingdon with each of BC Hydro and PG&E Energy Trading, Canada Corporation ("PG&E"). The Order also accepted for filing a Peaking Gas Purchase Agreement ("Peaking Agreement") with each of BC Hydro and PG&E. The Order also approved the provision that allowed BC Hydro to assign its TSA and Peaking Agreement to Terasen Inc. ("Put Option") for the remaining period in the primary term upon 13.5 months notice.

By an application dated December 5, 2002, BC Gas advised the Commission that PG&E was encountering financial difficulties and requested Commission approval for a set of transactions that were designed to preserve the value of the SCP capacity contracted to PG&E for BC Gas and its customers. By Letter No. L-48-02 dated December 5, 2002, the Commission stated it was prepared to approve certain transactions related to SCP capacity held by PG&E, including the termination of the PG&E TSA and Peaking Agreement. Letter No. L-48-02 also addressed certain other requests made by BC Gas including the disposition of Inland Pacific Connector ("IPC") project costs.

On June 1, 2005, Terasen Gas applied for Commission approval of several transactions that are related to matters that were addressed in BC Gas' December 5, 2002 application and Commission Letter No. L-48-02 (the "Application"). These matters included the treatment of payments and revenue related to the PG&E TSA and its termination, the exercising by BC Hydro of its Put Option effective November 1, 2005 and the recovery of IPC development costs.

A written hearing process was established to review the Application. The Commission received written comments from Duke Energy Gas Transmission on behalf of Westcoast Energy Inc., the Lower Mainland Large Gas Users Association, B.C. Old Age Pensioners' Organization et al., and the Inland Industrials consisting of Weyerhaeuser Company Ltd., Teck Cominco Metals Ltd., Zellstoff Celgar Limited and Canadian Forest Products Ltd. Terasen Gas filed written reply comments on September 2, 2005.

Following consideration of the Application and the evidence and written comments received in the written hearing, the Commission made determinations on the approvals that Terasen Gas requested in the Application and on October 5, 2005, issued Order No. G-98-05 and its Reasons for Decision.

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY
Resource Expenditure and Acquisition Plan and Fiscal 2006 Open Call for Energy
Negotiated Settlement appended to Order No. G-103-05 dated October 5, 2005

On March 7, 2005, BC Hydro filed its Resource Expenditure and Acquisition Plan ("REAP") pursuant to Subsection 45(6.1) of the UCA. The REAP included a plan of capital expenditures for Fiscal 2006 ("F2006") and F2007; a forecast of expenditures for the acquisition of energy pursuant to existing electricity purchase agreements for F2006 through F2009; and a plan of how BC Hydro intended to reduce the demand for energy purchased from BC Hydro by its customers and a forecast of expenditures for that purpose for F2006 and F2007. The REAP also included a plan of how BC Hydro intended to meet the demand for energy by acquiring energy from other persons through a proposed "open call" to the private sector in F2006 ("F2006 Call").

The Commission concluded that the review of the REAP should include both an oral hearing and a written hearing process, and that the scope of the oral hearing process would be determined following the filing of BC Hydro's Supplemental F2006 Call Evidence.

The Negotiated Settlement discussions were held on September 20, 21 and 22, 2005 and a proposed Negotiated Settlement was supported by BC Hydro and Intervenors who participated in the discussions.

The Commission reviewed the Negotiated Settlement, including the letters of support filed by participants in the NSP and the comments offered in support of the settlement at the Pre-hearing Conference, and approved the Negotiated Settlement.

PACIFIC NORTHERN GAS LTD.
Reconsideration of Commission Decision & Order No. G-84-05
Approval to Convert to an Income Trust
Reasons for Decision appended to Order No. G-112-05 dated October 28, 2005

On October 7, 2005, PNG applied for Reconsideration and Variance of the IT Decision ("the Reconsideration Application") and requested review by way of an oral hearing. The Reconsideration Application stated that, in order for the PNG Income Trust to proceed, it was essential that the Commission approve the requests from the Income Trust Application for an interest rate of 12 percent on the fixed-rate subordinate notes and an interest rate of 5.75 percent above long Canada bonds for the variable-rate subordinate notes.

A Procedural Conference was held on Thursday, October 20, 2005 to determine if a reconsideration hearing should proceed. In attendance at the Procedural Conference were PNG, the BC Old Age Pensioners' Organization, et al. ("BCOAPO"), Commission Counsel, and Commission staff. The Commission received submissions from PNG and BCOAPO on whether the Reconsideration Application met the criteria for reconsideration under the Commission's guidelines.

The Commission considered the submissions of the parties on PNG's Reconsideration Application and approved amendments to the determinations in the IT Decision.

STARGAS UTILITY LTD.
Alter Rates, Make Additional Deferrals, Levy Administrative Charges
and Establish a Gas Cost Variance Account
Reasons for Decision appended to Order No. G-118-05 dated November 15, 2005

On October 22, 2004, Stargas applied for Commission approval to alter rates, make additional deferrals and levy administrative charges. On January 5, 2004, Stargas agreed to withdraw its application and re-file after its May 31, 2005 fiscal year end.

A written public hearing to review the Application was established by Commission Order No. G-71-05. Following the closure of the evidentiary portion of the written hearing, the Commission reviewed the Application by Stargas to Alter Rates, Make Additional Deferrals, Levy Administrative Charges and Establish a GCVA and all evidence adduced thereon and on November 7, 2005 issued Order No. G-118-05 and its Reasons for Decision.

KINDER MORGAN INC. AND 0731297 B.C. LTD.
Acquisition of the Common Shares of Terasen Inc.
Decision dated November 10, 2005 and Order No. G-116-05

On August 17, 2005, Kinder Morgan, Inc. ("KMI" or "Kinder Morgan") and 0731297 B.C. Ltd. ("Subco") (collectively the "Kinder Morgan Companies") applied to the British Columbia Utilities Commission pursuant to Section 54 of the UCA for approval of the acquisition by the Kinder Morgan Companies of the common shares of Terasen Inc. ("Terasen"). The acquisition of the shares of Terasen ("the Transaction") by KMI transfers the indirect control of Terasen Gas Inc. ("TGI"), Terasen Gas (Vancouver Island) Inc. ("TGVI"), Terasen Gas (Squamish) Inc. ("TGS "), Terasen Gas (Whistler) Inc. ("TGW"), and Terasen Multi-Utilities Services Inc. ("TMUS"). Each of TGI, TGVI, TGW and TMUS are wholly-owned subsidiaries of Terasen. TGI owns all of the outstanding shares of TGS and TGS is an indirect wholly-owned subsidiary of Terasen. Each of TGI, TGVI, TGS, TGW and TMUS (collectively, the "Terasen Utilities") are public utilities regulated by the Commission. Terasen also owns all of the outstanding shares of Terasen Pipelines (Trans Mountain) Inc. ("TM"). TM is not regulated by the BCUC, but rather by the National Energy Board. TM owns all of the outstanding shares of Terasen Pipelines (Jet Fuel) Inc. ("TPJF"). While the tolls of TPJF are regulated by the BCUC, TPJF is not a "public utility"

as that term is defined in the UCA and the provisions of Section 54 of the UCA are not applicable to TPJF.

Following a Procedural Conference held on September 9, 2005, the Commission by Order No. G-86-05 established a Regulatory Timetable for the review of the Application by way of a written public hearing process with a deadline for Intervenor submissions of October 14, 2005 and KMI submissions of October 21, 2005.

The Commission considered the Application, the evidence received and on November 10, 2005 by way of Order No. G-116-05 approved the acquisition of the common shares of Terasen Inc. subject to the conditions set forth in the Decision.

PACIFIC NORTHERN GAS LTD.
2005 Revenue Requirements
Negotiated Settlement appended to Order No. G-120-05 dated November 17, 2005

On December 17, 2004, Pacific Northern Gas Ltd. – West Division ("PNG-West") filed for approval of its 2005 Revenue Requirements Application ("the RR Application") to amend its rates on an interim and final basis, effective January 1, 2005. The RR Application proposes to increase delivery rates to all customers, except West Fraser Mills and Methanex Corporation, as a result of increases in cost of service and lower gas deliveries to most customer classes as well as increasing its common equity thickness from 36 percent to 51 percent in 2005.

By Letter No. L-84-05, the Commission scheduled a Negotiated Settlement Process for the review of the PNG-West RR Application. The Negotiated Settlement discussions were held in Vancouver on October 12 and 13, 2005 and a proposed Settlement Agreement regarding the RR Application was agreed to by PNG-West and the Intervenors.

The Commission reviewed the proposed Settlement Agreement for PNG-West and on November 17, 2005 approved the Settlement Agreement, the Terms of Settlement along with supporting schedules showing the effects of the changes arising from the Negotiated Settlement. The interim rates for PNG-West established by Order No. G-114-04 were approved as permanent rates effective January 1, 2005.

PACIFIC NORTHERN GAS LTD.
Resource Plan Review for PNG-West Pipeline System
Reasons for Decision appended to Order No. G-124-05 dated November 30, 2006

On July 25, 2005, PNG filed with the Commission its Resource Plan Report dated July 2005, covering its West Pipeline System, prepared with an objective of satisfying the Commission's Resource Planning Guidelines issued in December 2003 related to the Sections 45(6.1) and 45(6.2) of the UCA.

On September 15, 2005, the Commission finalized the schedule for a written review process of the Resource Plan as proposed in Letter No. L-71-05.

The Commission considered the Resource Plan and the written arguments and accepted the Resource Plan for filing and directed PNG to submit its next Resource Plan filing no later than three years after the date of the decision, and every three years thereafter, until the Commission determines otherwise.

TERASEN GAS (VANCOUVER ISLAND) INC.
Forecast Rates and Revenue Requirements for Years 2006 & 2007
and Revenue Deficiency Deferral Account Balance as at December 31, 2004
Negotiated Settlement appended to Order No. G-126-05 dated November 30, 2005

On July 20, 2005, TGVI filed pursuant to Sections 60 and 23 of the UCA and Order in Council 1510, dated December 13, 1995, for approval of TGVI's forecast rates and Cost of Service for the years 2006 and 2007 and its Revenue Deficiency Deferral Account balance as at December 31, 2004 ("the Application").

Commission Order No. G-77-05 established the Regulatory Timetable that included a Workshop and a Procedural Conference. The Procedural Conference was established to address the further regulatory process for the review of the Application. Following the Procedural Conference an NSP was established under Letter No. L-79-05 and set out the remaining Regulatory Timetable.

On October 26, 27 and 28, 2005, a Settlement Conference was held in Vancouver, B.C. and a Negotiated Settlement was reached among the participants and circulated to all Registered Intervenors, Interested Parties and the Commission on November 22, 2005. Intervenors who did not participate in the settlement negotiations were requested to provide to the Commission their comments on the settlement package by November 29, 2005.

The Commission reviewed the Negotiated Settlement for TGVI's 2004 Actual Revenue Surplus and the 2006 and 2007 Forecast Revenue Requirements and on November 30, 2005, approved Negotiated Settlement as issued on November 22, 2005, which included the 2004 revenue surplus of $14,243,422 with a cumulative balance in the Revenue Deficiency Deferral Account of $61,044,330 at the end of 2004.

The Commission also approved the interim rates effective January 1, 2006 for RGS, AGS, SCS-1, SC2-2, LCS-1, LCS-2, LCS-3, HLF, and ILF rate classes as proposed in the Negotiated Settlement. The Commission also approved interim rates effective January 1, 2006 for Firm Transportation, summer Interruptible Transportation, and winter Interruptible Transportation rates as proposed in the Negotiated Settlement.

BRITISH COLUMBIA TRANSMISSION CORPORATION
Review of Possible Violations of the Network Economy Service
Reasons for Decision appended to Order No. G-127-05 dated November 29, 2005

BCTC filed on August 3, 2004, an application for an Open Access Transmission Tariff ("the OATT Application") pursuant to Sections 58, 59 and 60 of the UCA. On August 4, 2004, BC Hydro filed an application to establish rates, terms and conditions for Interconnected Operations Services ("the IOS Application") to be offered to BCTC once it became responsible for offering and providing transmission services through the OATT.

During the proceeding into the BCTC OATT Application and the BC Hydro IOS Application, the Chair appointed a separate Commission Panel ("NE Panel") to review BC Hydro's conduct regarding use of Network Economy Service, whether scheduling behaviour inconsistent with the 1999 Network Economy Purchasing with Alberta Exports Rule ("1999 Rule) had occurred, and whether there should be a further proceeding.

The NE Panel conducted its review through a series of information requests and submissions from BCTC, BC Hydro, third party users of the system and interested parties, as well as through analysis of reports filed in accordance with the OATT Decision. The NE Panel concluded that violations of the 1999 Rule occurred and continue to occur, and that a formal process leading to an enforceable tariff provision to replace the 1999 rule should be initiated. The NE Panel's Reasons for Decision was issued directing as follows:

1. BCTC was directed to consult with BC Hydro, third party users of the system and interested parties, and then apply to the Commission by March 1, 2006 for approval of a clear, enforceable Network Economy Tariff provision. The tariff provision was to include definition of the circumstances under which Network Economy Service is to be used, as well as procedures for monitoring and reporting to detect any unwarranted use of Network Economy Service, and enforcement penalties in the case of any breach of the provision.

2. In the interim, both BCTC and BC Hydro were directed to make every reasonable effort to comply with the spirit and intent of the 1999 Rule, and to continue to file the quarterly reports as directed by the OATT Panel at page 98 of the OATT Decision.

TERASEN GAS INC.
2006 Revenue Requirements & Delivery Rates
Reasons for Decision appended to Order No. G-132-05 dated December 9, 2005

By Commission Order No. G-51-03, the Commission approved the 2004-2007 Multi-Year Performance Based Rate Settlement ("Negotiated Settlement" or "PBRA") for Terasen Gas Inc. The Negotiated Settlement used the 2003 Decision to establish base costs then applies specified drivers to determine allowed expenditure levels. In accordance with this Order, Terasen Gas is required to hold an Annual Review each November with projections and forecasts provided three weeks in advance.

Commission Order No. G-104-05 approved Terasen Gas' proposed schedule of holding an Annual Review on November 10, 2005 and directed Terasen Gas to file advance material by October 17, 2005, with a copy of the material to participants in the Negotiated Settlement. Terasen Gas advised the Commission on October 17, 2005, that due to additional updates, namely the customer mix related to movements in the Rate Classes 2 and 3 and the forecast average customer use rates for core rate classes, Terasen Gas would be filing its advance Annual Review material on October 19, 2005. The Commission established a revised Regulatory Timetable by Commission Order No. G-106-05.

On October 19, 2005, Terasen Gas filed the advance material for a 2006 Revenue Requirement increase of $14.3 million. The Commission and Intervenors issued information requests to Terasen Gas on the advance materials with the Company responding on November 7, 2005.

On November 7, 2005, Terasen Gas revised the net revenue requirement increase to $10.7 million in accordance with Commission Order No. G-98-05 that approved transactions related to the Southern Crossing Pipeline and the Inland Pacific Connector.

At the Annual Review, the participants requested additional information from Terasen Gas regarding the implications of the Kinder Morgan, Inc. acquisition of Terasen Inc. on the present Negotiated Settlement, residential customer growth and use-per-customer forecast. Terasen Gas responded to these queries on November 21 and 25, 2005. The BC Old Age Pensioners Organization et al. and the Commercial Energy Consumers Association of British Columbia submitted Comments on November 25, 2005 in accordance with the Regulatory Timetable.

On December 2, 2005, Terasen Gas provided Reply Comments and applied for approval of its 2006 Revenue Requirements and delivery rates pursuant to the terms of the 2004-2007 Negotiated Settlement and pursuant to Sections 58, 60, and 61 of the UCA. The Application also requested approval for the following:

- to continue with the 2005 approved return on equity of 9.03 percent and a common equity of 33 percent;
- to increase the RSAM Rider by $0.023/GJ from the current approved level of $0.143/GJ;
- to set an Earnings Sharing Mechanism Rider for customers served under Rate Schedules 1, 1S, 2, 2S, 3 3U, 5, 7, 22, 22A, 22B, 23, 25, and 27 ranging from ($0.063)/GJ to ($0.003)/GJ; and

- to establish deferral treatment for the net book value difference of $1.533 million as result of replacing the existing fleet services provider, BC Hydro to PHH Arval with amortization over three years commencing January 1, 2006.

By Order No. G-132-05 dated December 9, 2005, the Commission issued its Reasons for Decision approving Terasen Gas' 2006 Revenue Requirement Application for an increase in delivery rates on an interim basis effective January 1, 2006, subject to refund with interest at the average prime rate of Terasen Gas' principal bank.

FORTISBC INC.
2006 Capital Budget Application
Reasons for Decision appended to Order No. G-8-06 dated January 31, 2006

FortisBC filed its 2006 Capital Budget Application which contained the 2006 Capital Expenditures Plan ("CEP") and the 2006 System Development Plan update on August 16, 2005. In the CEP FortisBC is seeking an order that the CEP satisfies the requirements of Sections 45(6.2) (a)(b) and that the Capital Projects contained in the Tables 2.1, 3.1, 4.1, 5.1, 6.1, and 7.1 of the CEP are in the public interest.

Following a written hearing process established by Order No. G-81-05 for the review of the Application, the Commission issued its Reasons for Decision determining that the meets the requirements of Section 45(6) and 45 (6.1)(a) of the UCA. FortisBC was directed to comply with all determinations and instructions set out in the Commission's Reasons.

KYUQUOT POWER LTD.
Electric Tariff, Terms and Conditions of Service and Rates
Reasons for Decision appended to Order No. G-11-06 dated February 8, 2006

On April 5, 2001, Synex Energy Resources Ltd. ("SERL") applied to the Commission for a Certificate of Public Convenience and Necessity to construct and operate a powerline to provide electricity to Fair Harbour, Chamiss Bay and Kyuquot by means of a 14.4 kV single phase connection to BC Hydro's substation at Oclucje ("CPCN Application").

By Commission Order No. C-18-01, a CPCN was approved for SERL on November 15, 2001 to construct and operate a 14.4 kV single phase distribution line from BC Hydro's grid at Oclucje to Kyuquot conditional on SERL or a company formed for the purposes being a public utility. In accordance with Order No. C-18-01, SERL founded a wholly-owned subsidiary, Kyuquot Power Ltd. ("KPL", "the Company"), a public utility for the purpose of operating the distribution line.

On September 14, 2005, KPL applied to the Commission for approval of an Electric Tariff ("the Application") containing the terms and conditions of service and rate schedules, pursuant to Section 60 of the UCA. By Order No. G-123-05 the Commission approved the Electric Tariff on an interim basis effective November 15, 2005 and established a written public process to review the Application.

Following the review of the Application along with the supporting material, the Commission approved for KPL the Electric Tariff, Terms and Conditions of Service and Rates as permanent effective November 15, 2005, as set forth in the Reasons for Decision.

TERASEN GAS INC.
Operating Terms for the Supply and Distribution of Natural Gas Service
within the District of Chetwynd
Reasons for Decision appended to Order No. G-17-06 dated February 28, 2006

On July 19, 2005, Terasen Gas applied to the Commission pursuant to Section 32 of the UCA for approval of the Operating Terms for the supply and distribution of natural gas within the boundaries of Chetwynd ("the Application"). Terasen stated that it was unable to agree on the terms of an Operating Agreement with the District of Chetwynd. The Operating Terms proposed in the Application were described as being substantially similar to the terms in the Operating Agreements between Terasen and the Corporation of the City of Penticton and Terasen and the Corporation of the City of Salmon Arm, which were approved by Orders No. C-8-03 and C-7-03, except that the Operating Terms in the Application did not contain a provision for the payment of franchise fees and did not have a fixed term. Terasen excluded a provision for franchise fees to reflect the statement made in a May 14, 2005 letter from the Mayor of the District of Chetwynd to the Commission that the Mayor would recommend to Chetwynd Council that "we not collect franchise fees".

Commission Letter No. L-82-05 established a written inquiry into the Terasen Application including a timetable for submissions pursuant to Section 32 of the UCA.

Following a review of the Application and the related submissions, which were discussed in the Reasons for Decision, the Commission directed as follows:

1. The Operating Agreement proposed by Terasen on October 21, 2005, and amended as proposed by the District of Chetwynd on November 4, 2005, was approved, effective July 1, 2005.

2. The Operating Agreement between Terasen and the District of Chetwynd was approved and shall expire twenty-one years from the 1st day of July 2005.

3. Terasen and the District of Chetwynd are to file with the Commission an endorsed Operating Agreement in accordance with the terms approved by this Order and Reasons for Decision.

4. The terms of this Operating Agreement may be reviewed, upon application by Terasen or the District of Chetwynd, should the Commission determine that a significant revision is required.

BRITISH COLUMBIA HYDRO AND POWER AUTHORITY
Transmission Service Outstanding Matters
Reasons for Decision appended to Order No. G-19-06 dated February 22, 2006

On December 22, BC Hydro filed its Transmission Service Outstanding Matters Application ("TSOM Application", "Application") to address and obtain Commission approval of matters outstanding from the Negotiated Settlement concerning BC Hydro's March 2005 Transmission Service Rate Application ("TSRA"). The Negotiated Settlement was approved by Commission Order No. G-79-05.

The TSOM Application requested approval of Transmission Service Rate Schedules, a Time of Use ("TOU") Transmission Service Agreement (Tariff Supplement No. 72), and the Customer Baseline Load ("CBL") Guidelines, all to be effective April 1, 2006. BC Hydro requested an expedited process for dealing with the Application and stated that changes to the rates proposed in the Application arose from consultations between BC Hydro and interested parties. BC Hydro further stated that the rates proposed were revenue neutral and therefore did not result in any revenue shifting to other customer classes.

Following a written review process, the Commission issued its Reasons for Decision approving the TSOM Application and noted that Section 6.2 of the CBL Guidelines contained a procedure for dealing with disputes regarding the determination of a customer's CBL, and directed parties to resolve disputes under that section of the CBL Guidelines. If any party believes that further changes were required to the CBL Guidelines themselves, such changes may be proposed in the context of the next BC Hydro rate design application.

TERASEN GAS INC. / TERASEN GAS (VANCOUVER ISLAND) INC.
Return on Capital Equity and Capital Structure
Review and Revise the Automatic Adjustment Mechanism
Decision dated March 2, 2006 and Order No. G-14-06

On July 22, 2004, Terasen Gas wrote to the Commission requesting that the Commission convene a hearing to review return on equity and capital structure. By Order No. G-88-04 the Commission determined that a hearing was not warranted at that time but concluded that such a review would be appropriate in the Fall of 2005 in time for implementation January 1, 2006.

By Application dated June 30, 2005, the Companies submitted that: 1) the allowed returns on equity of both Companies should be increased to an appropriate level, 2) the common equity component in the capital structure of both Companies should be increased to properly reflect the risks of the Companies, and 3) the current ROE adjustment mechanism should be reviewed and revised to provide the Companies with a fair and adequate return on equity in future years.

An Oral Public Hearing was held in Vancouver that commenced on November 14, 2005 and ended on November 18, 2005. Written Argument was filed by the Companies on December 5, 2005 and by the Intervenors by December 20, 2005. Reply Argument was filed by the Companies on January 5, 2006 and an Oral Phase of Argument was held on January 17, 2006.

Following a review of the evidence filed during the proceeding the Commission Panel determined that a change to the Capital Structures of the Companies, the Returns on Equity allowed a low-risk benchmark utility, and the utility-specific equity risk premium for TGVI were in the public interest as follows:

1. The appropriate common equity component allowed in the capital structure of Terasen Gas is to be 35 percent.

2. The approved return on equity for 2006 for the benchmark low-risk utility is 9.145 percent assuming a 30-year long Canada bond yield of 5.25 percent. For 2006 this resulted in an approved return on equity for Terasen Gas of 8.80 percent.

3. The approved return on equity for TGVI for 2006 is to be 70 basis points greater than the benchmark low-risk utility return, namely 9.5 percent.

4. Other B.C. utilities whose returns on equity are established relative to that of the benchmark low-risk utility may adjust their 2006 rates accordingly subject to Commission approval.

Exemptions

There are two types of exemptions from the provisions of the Utilities Commission Act: Section 22 Ministerial exemptions and Section 88 Commission exemptions.

Section 22 – Ministerial Exemptions

Ministerial Order M-22-0205 (M202, dated June 6, 2002) exempts persons who are not otherwise a public utility, and their equipment facilities, plants, projects or systems, from the provisions of Part 3 of the Utilities Commission Act (except Section 22) with respect to the production and sale of electricity to BC Hydro or Powerex.

Following this date Independent Power Producers ("IPPs") were not required to seek Commission exemptions from public utility status so long as the power produced from the project was sold to BC Hydro or Powerex.

Section 22 also enables the Minister to refer an exemption application to the Commission for review, or delegate the decision to the Commission.

Section 88 - Commission Exemptions

Commission exemptions may exempt a utility from any provision of the Act except for Part 2 and matters subject to Sections 22 and 71. Cabinet pre-approval is required. This section is often used to exempt upstream natural gas plants, pipelines, and related facilities from public utility status.

The Commission has developed a specific practice to issue Section 88 exemptions. First, the utility applies to the Commission for an exemption from regulation with respect to a particular activity, project, or agreement. If the Commission agrees with the application in principle and decides that an exemption will not jeopardize the public interest, it requests approval from Cabinet. By Order of the Lieutenant Governor in Council, Cabinet formally approves the exemption. Finally, the Commission issues its own order granting an exemption under Section 88(3).

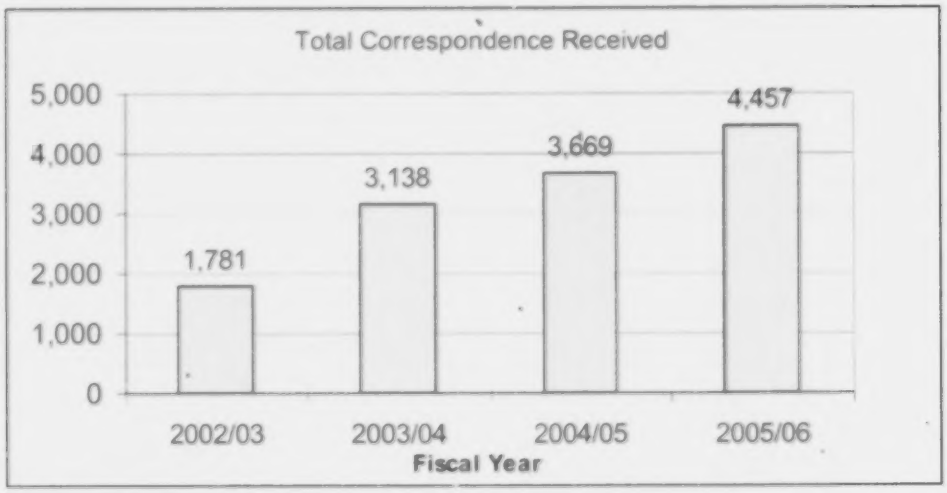
The following Commission exemptions from regulation were granted under Section 88(3) of the Act in 2005/06.

- **Duke Energy Field Services Canada Partnership**
  Order No. G-30-06

Approved for Duke Energy Field Services Canada Partnership an exemption from Part 3 of the Act, other than Sections 24 and 25, of the facilities in the Peggo, Midwinter and Tooga and Sunrise areas, which Duke Energy Field Services Canada Partnership uses to transport or process natural gas for others.

Performance Indicators

Over the last four fiscal years the Commission has seen a significant increase in the amount of correspondence received and processed by Commission staff. Correspondence received by the Commission consists of customer complaints, utility applications, hearing documents, requests for information/assistance (not related to a proceeding), and utility reports. Not included in the following graph are customer complaints received by telephone and e-mail or telephone requests received by the Information Services Group requesting Commission documents. These requests are processed immediately upon receipt and are not entered into the document tracking system.



Proceeding Days Summary (Fiscal 2005/06)

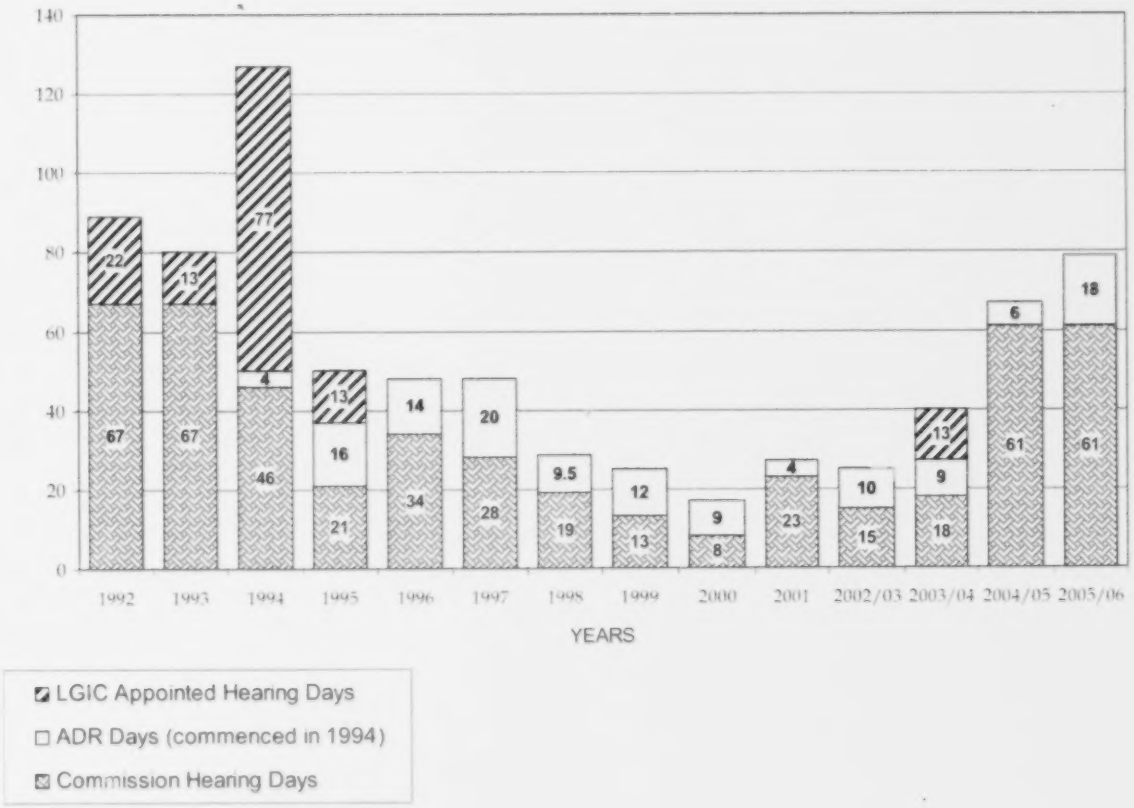
Applicant	Application	Pre-hearing Conference	Workshop	NSP/ ADR	Oral Public Hearings	Total Days
BCTC BC Hydro	Open Access Transmission Tariff Interconnected Operations Services	2	1		10	13
PNG	2005 Revenue Requirements and Income Trust	2		2	5	9
BCTC	2005/06 Revenue Requirements	1		2		3
ICBC	Cost Allocation Workshop		1			1
BC Hydro	Transmission Service Rate	2	1	3		6
BCTC	Transmission System Capital Plan				Written Hearing	
TGVI	Customer Care Conversion				Written Hearing	
BC Hydro	2005 Resource Options Report	2				2
BC Hydro	Resource Expenditure and Acquisition Plan	2		1		3
Terasen	Southern Crossing Pipeline and Inland Pacific Connector Transactions		1		Written Hearing	1
Terasen TGVI	Return on Equity and Review and Revise Automatic Adjustment Mechanism used in Calculating the ROE for Public Utilities	1			6	7
BCTC Sea Breeze	Vancouver Island Transmission Reinforcement Project / Vancouver Island Cable Project	3			37	40
Stargas	Alter Rates, Make Additional Deferrals, Levy Administrative Charges and Establish a Gas Cost Variance Account				Written Hearing	
TGW	Whistler Distribution System Bridging Facilities CPCN				Written Hearing	
Kinder Morgan, Inc.	Acquisition of the Common Shares of Terasen Inc.	1				1
TGVI	2006/07 Revenue Requirements and Revenue Deficiency Deferral Account	1	1	3		5

Applicant	Application	Pre-hearing Conference	Workshop	NSP/ ADR	Oral Public Hearings	Total Days
ICBC	2006 Revenue Requirements	1			1	2
FortisBC	2006 Capital Expenditure Plan		1		Written Hearing	1
PNG	2005 Resource Plan for PNG-West Pipeline System				Written Hearing	
FortisBC BC Hydro	Exemptions regarding the Canal Plant Agreement, FortisBC Entitlement Adjustment Agreement and CPA Sub Agreement				Written Hearing	
Terasen	Operating Terms for the Supply and Distribution of Natural Gas within the District of Chetwynd				Written Hearing	
PNG	Reconsideration Application of BCUC Decision dated September 9, 2005 on Income Trust	1				1
Terasen	2005 Annual Review of 2006 Revenue Requirements			1		1
ForitsBC	Nk'Mip (East Osoyoos) Transmission and Substation Project	1			2	3
Kyuquot Power Ltd.	Electric Tariff, Terms and Conditions of Service and Rate Schedules				Written Hearing	
PNG	2006 Revenue Requirements			3		3
PNG (N.E.)	2006 Revenue Requirements			3		3
TGW TGVI	2005 Resource Plan Update and CPCN for Conversion of Whistler Propane System to Natural Gas and CPCN for Pipeline Lateral from Squamish to Whistler and Approval of Transportation Service Agreement	2	1		Written Hearing	3
PLP	2006 Revenue Requirements				Written Hearing	
0745848 B.C. Ltd.	Acquisition of the Common Shares of Terasen Utility Services Inc.				Written Hearing	
TOTAL DAYS		**22**	**7**	**18**	**61**	**108**

Hearing and Alternative Dispute Resolution Days (Fiscal 2005/06)

The Negotiated Settlement Process is part of the Commission's efforts to improve the quality and efficiency of regulation. Use of the Negotiated Settlement Process, which is also referred to as Alternative Dispute Resolution, requires considerable work before, during and after the negotiations. Revised "Negotiated Settlement Process: Policy, Procedures and Guidelines" were issued on January 23, 2001 (Letter No. L-3-01).

Alternative Dispute Resolution, the use of formulas for setting ROEs, and multi-year performance based settlements have all contributed to the declining trend in the number of hearing days (see chart). Matters referred to the Commission by the Lieutenant Governor in Council, such as the Kemano Completion Project and the Heritage Contract Inquiry, can have a dramatic affect on the number of hearing days; for example, in 1994 the Kemano Completion Project was reviewed over 77 hearing days and the Heritage Inquiry was reviewed over 13 days.



Customer Complaints and Inquiries (Fiscal 2005/06)

Inquiries from Utility Customers concerning Terms and Conditions of Utility Service, Quality of Service, Rate Increases, Billing and Payment Requirements, Disconnections, etc.

An important aspect of the Commission's mandate is to apply regulation in a manner that reflects fair, consistent and clearly enunciated standards. Commission staff are available to assist the public in dealing with regulated utilities so that problems and inquiries are handled in a prompt, helpful and efficient manner.

Most complaints and inquiries are resolved through discussions between the customer and the utility concerned. Unresolved issues are referred to the Commission. To facilitate communication between the Commission and the customers of regulated utilities wishing to file complaints or have points clarified, toll-free calling from anywhere in the Province is available. The number of complaints and inquiries in 2005/06 increased to 612 from 376 in 2004/05.

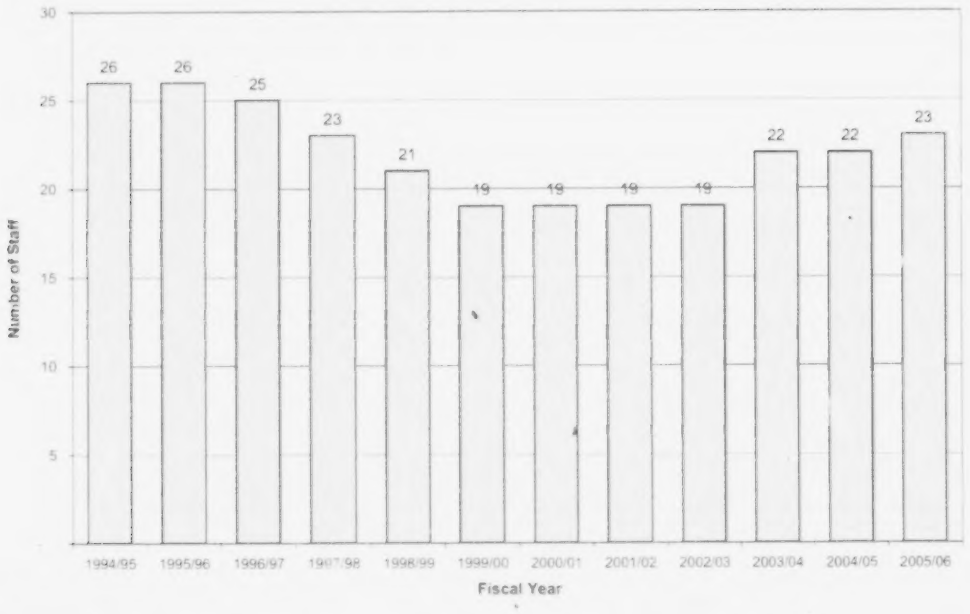
During 2005/06, five requests for information were made under the Freedom of Information and Protection of Privacy Act.

Summary of 2005/06 Customer Complaints and Inquiries

	Category Breakdown	Total
Big White Propane Utility		0
British Columbia Hydro and Power Authority		84
~ General Complaints	16	
~ Quality of Service	7	
~ Billing	45	
~ Disconnected/Security Deposit Requirement	16	
Cal-Gas Inc.		0
Central Heat Distribution Limited		0
FortisBC Inc.		63
Hemlock Valley Electrical Services Ltd.		2
Nelson Hydro		2
Pacific Northern Gas Ltd.		32
Pacific Northern Gas (N.E.) Ltd.		5
Port Alice Gas Inc.		0
Princeton Light and Power Company, Limited		0
Silversmith Power and Light		5
Stargas Utilities Ltd.		0
Sun Peaks Utilities Co. Ltd.		0
Terasen Gas Inc.		415
~ General Complaints	104	
~ Billing	216	
~ Disconnected/Security Deposit Requirement	95	
Terasen Gas (Vancouver Island) Inc.		2
Terasen Gas (Squamish) Inc.		1
Terasen Multi-Utility Services Inc.		1
Total 2005/06 Complaints/Inquiries		612

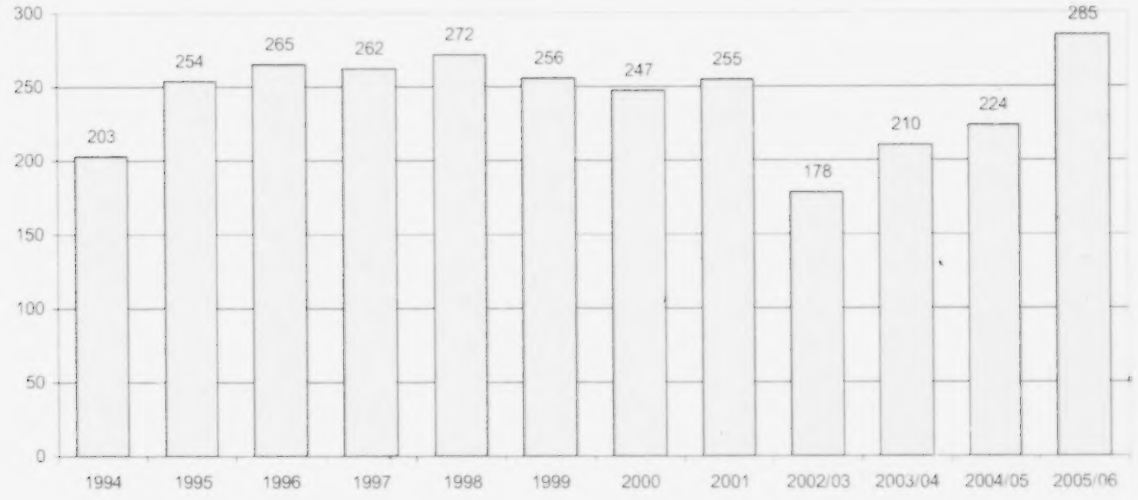
Staffing Levels

Staffing levels increased to 23 in 2005/06 from 22 in 2004/05.



Directives Issued

The number of Orders and Letters of Direction issued in 2005/06 was 285 up from the 224 recorded for 2004/05 and the 210 for 2003/04.

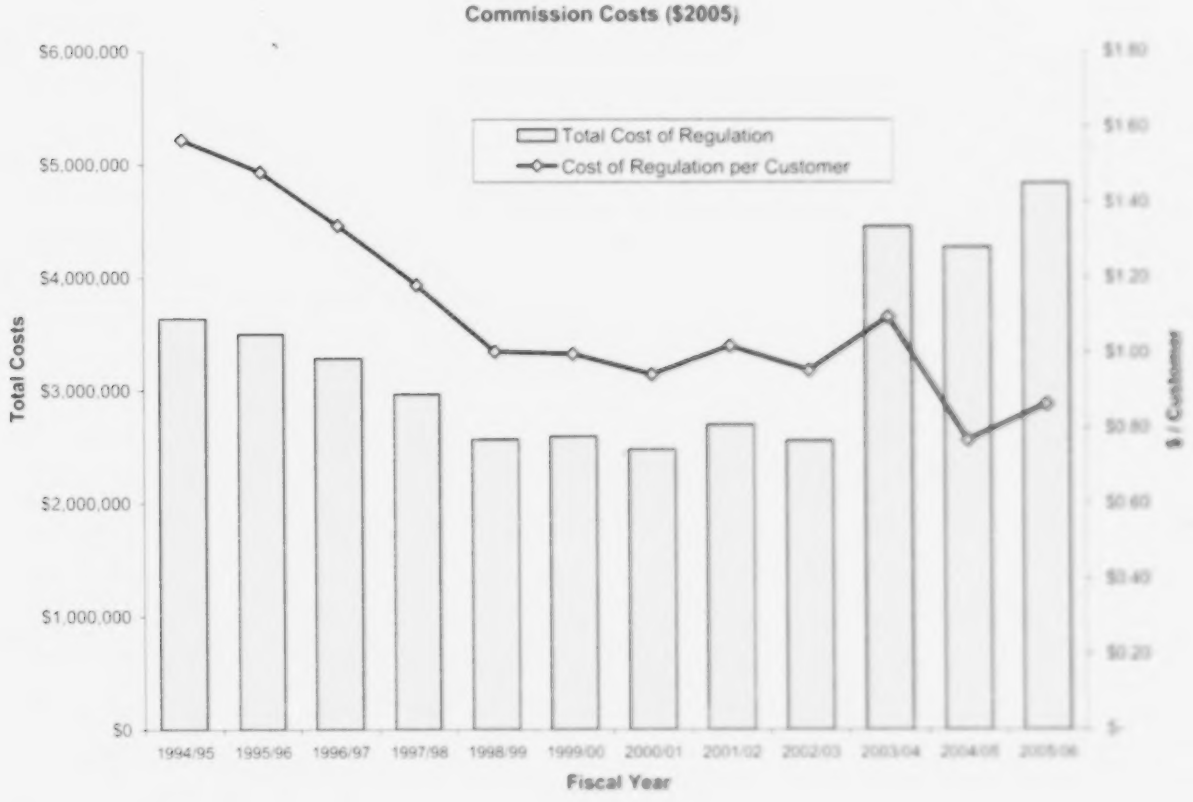


*Note: In 2002 the Commission moved from calendar year reporting to fiscal reporting

Commission Expenditures and Cost of Regulation per Customer

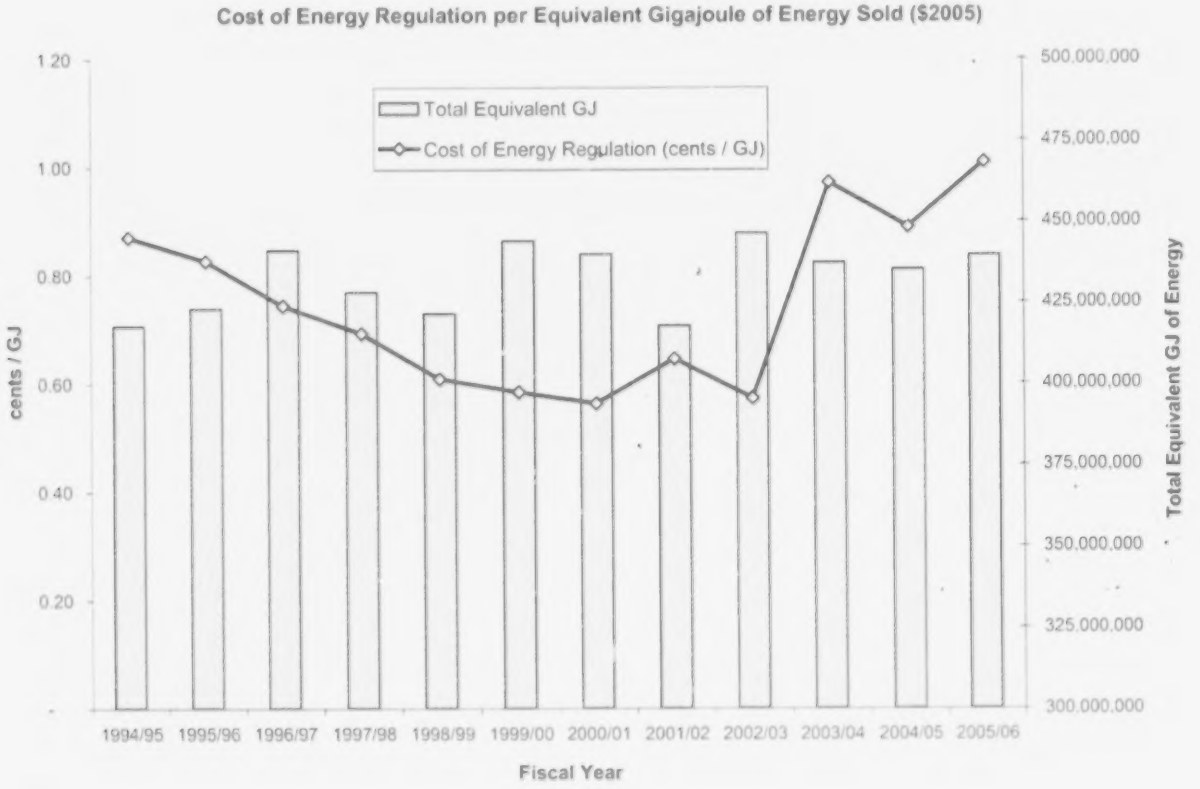
The Commission's actual expenditures for fiscal year 2005/06 (unaudited) were $4,833,175.12 million. The increase in expenditures results from an increase to the Commission's regulatory responsibility, number of hearing days and staffing levels.

The cost of regulation per customer is calculated by dividing Commission expenditures by the total number of customers of regulated utilities. For the five years prior to 2003/04, it has been under one dollar per customer; about half of what it was in the early 1990's. The rise in the cost of regulation in 2003/04 primarily reflects the return of BC Hydro to Commission regulation, the regulation of ICBC and an increase in the number of hearing days.



Cost of Energy Regulation per Equivalent Gigajoule of Energy Sold (cents)

The cost of regulation per gigajoule (equivalent) of energy sold is calculated by dividing Commission energy regulation expenditures by the amount of energy sold or transported by utilities in that year.



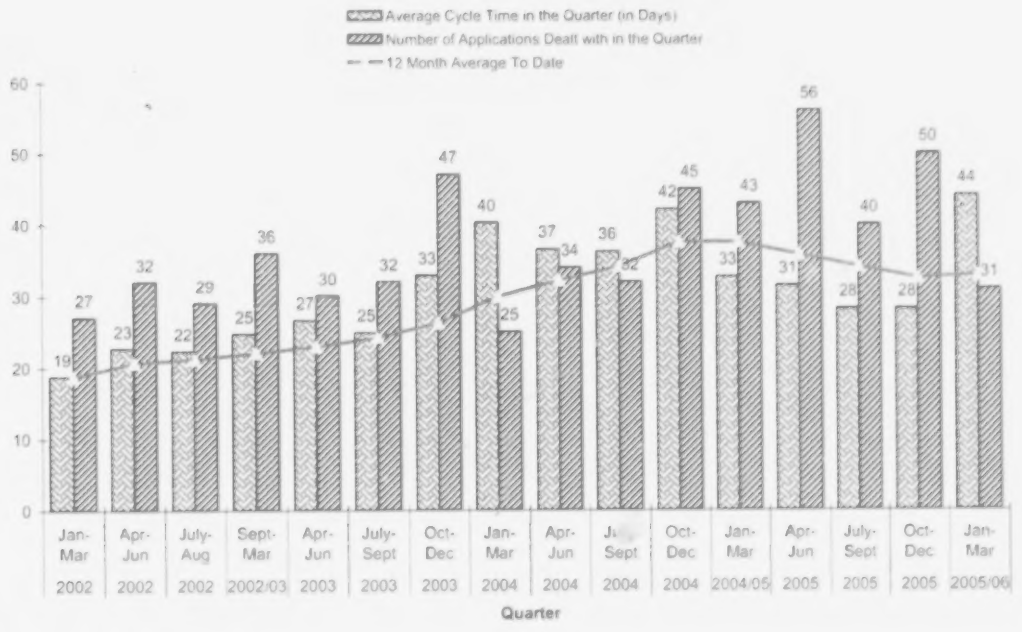
The equivalent energy sold includes both natural gas by gas utilities and the electricity sold (converted to gigajoules) by electrical utilities. From 1996 to 2003 the rates of BC Hydro were effectively frozen and therefore required less regulation than currently, now that the rate freeze has expired.

Cycle Times

The following four graphs portray "cycle" or "turnaround" times - the time elapsed between the receipt of an Application and a Commission decision - categorized according to the four main ways the Commission processes the Application.

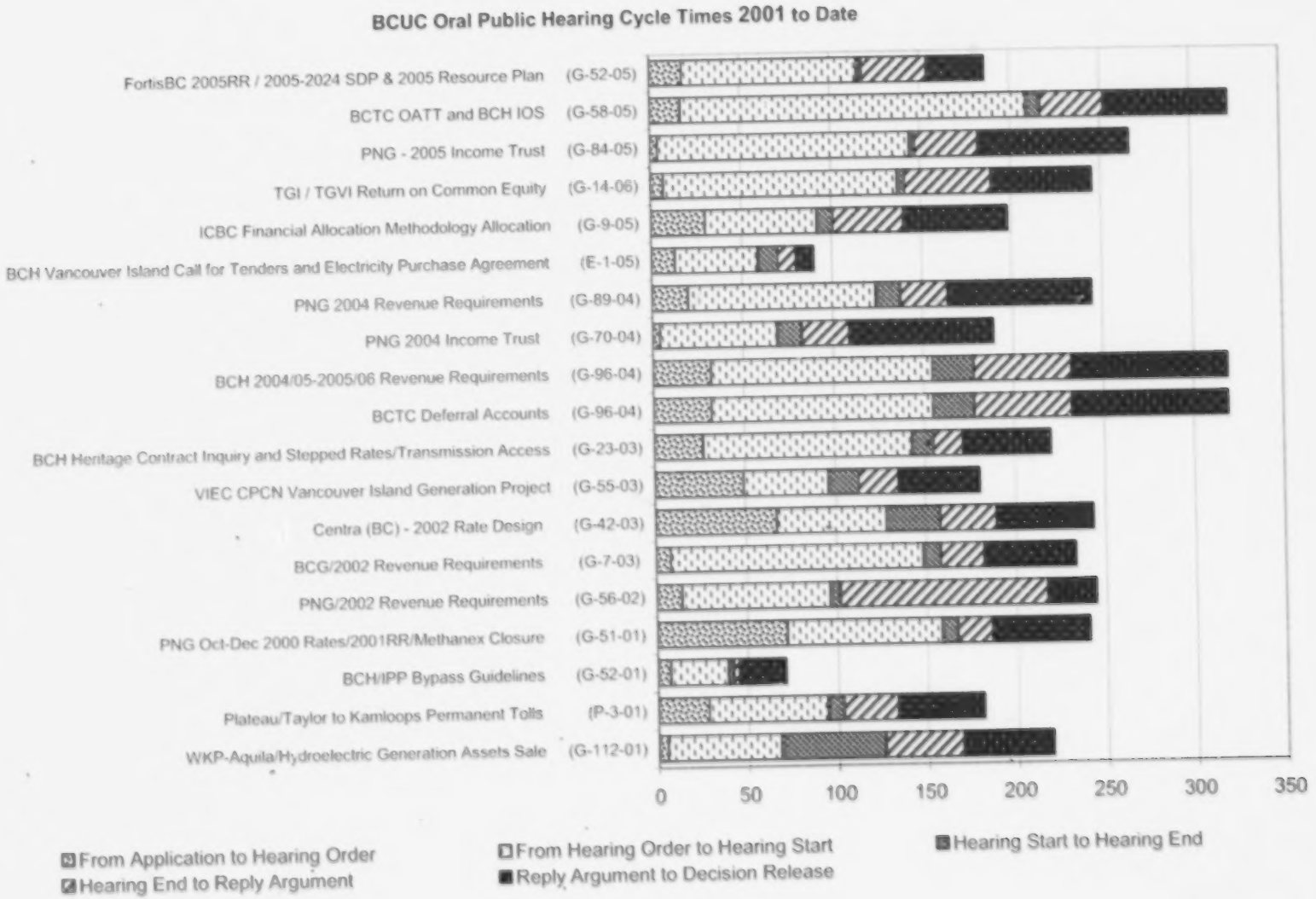
"Non-Hearing" Applications are usually straightforward and not controversial. They are managed by staff review and analysis, often with supplementary information requests and responses from the utility, but without a formal public review. Average cycle times, by quarter, ranged from 31 to 44 calendar days in 2005/06.

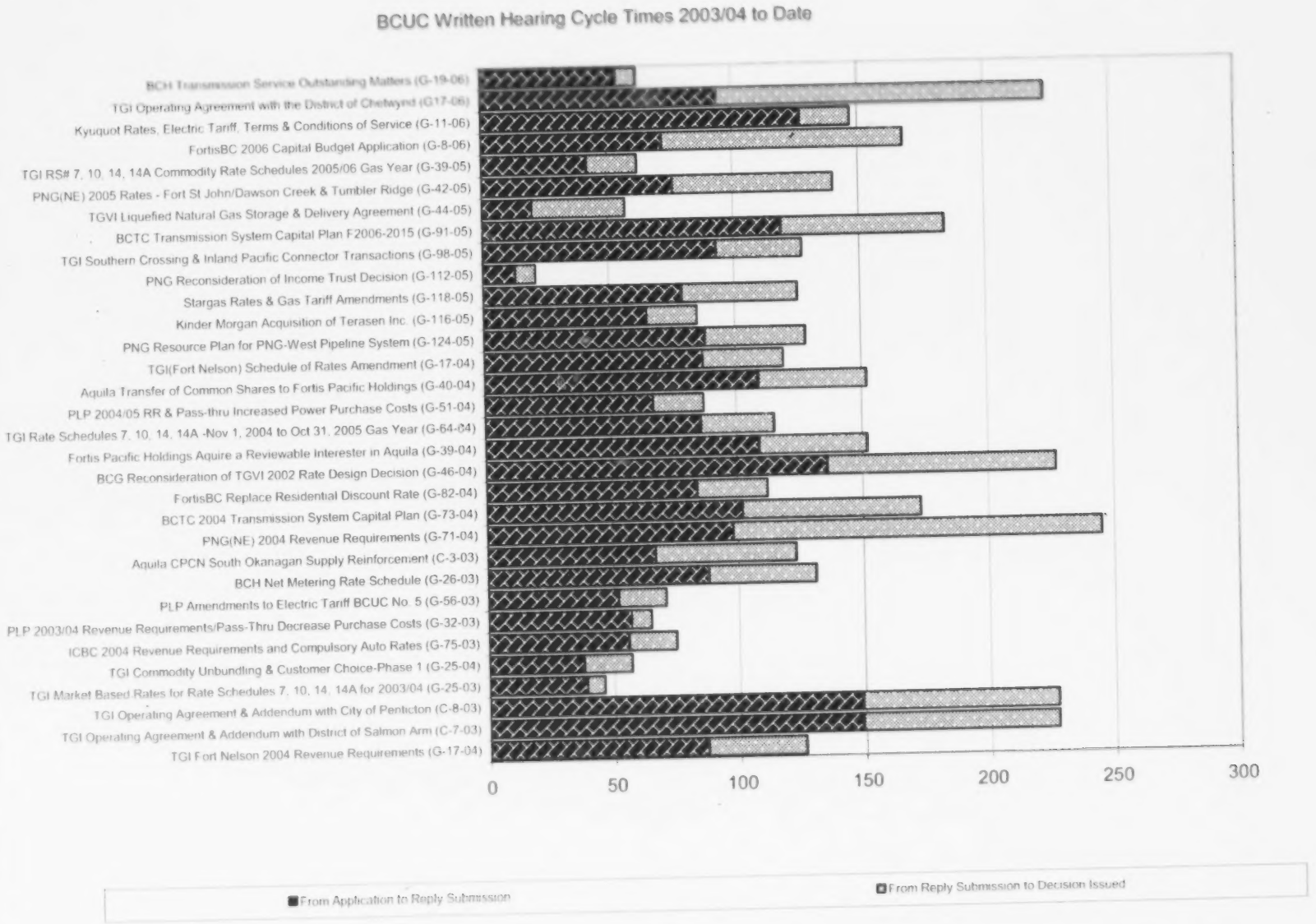
Cycle Times for Non-Hearing Applications by Quarter (2002-2005/06)



Note: In 2002/03 the Commission moved from Calendar year reporting to fiscal year reporting.

More complex applications require a public review process, usually through an oral public hearing, a written public hearing, or a negotiated settlement process. The following three graphs portray the cycle times for applications since 2001 managed by these three processes. Oral public hearings are quasi-judicial and adversarial; most take seven to eights months between receipt of the Application and the issuance of the Commission Decision. The BCUC's written hearing process cycle times average about six months, and Applications managed by a negotiated settlement process take about four months on average between receipt and disposition.


BCUC Oral Public Hearing Cycle Times 2001 to Date
FortisBC 2005RR / 2005-2024 SDP & 2005 Resource Plan (G-52-05)
BCTC OATT and BCH IOS (G-58-05)
PNG - 2005 Income Trust (G-84-05)
TGI / TGVI Return on Common Equity (G-14-06)
ICBC Financial Allocation Methodology Allocation (G-9-05)
BCH Vancouver Island Call for Tenders and Electricity Purchase Agreement (E-1-05)
PNG 2004 Revenue Requirements (G-89-04)
PNG 2004 Income Trust (G-70-04)
BCH 2004/05-2005/06 Revenue Requirements (G-96-04)
BCTC Deferral Accounts (G-96-04)
BCH Heritage Contract Inquiry and Stepped Rates/Transmission Access (G-23-03)
VIEC CPCN Vancouver Island Generation Project (G-55-03)
Centra (BC) - 2002 Rate Design (G-42-03)
BCG/2002 Revenue Requirements (G-7-03)
PNG/2002 Revenue Requirements (G-56-02)
PNG Oct-Dec 2000 Rates/2001RR/Methanex Closure (G-51-01)
BCH/IPP Bypass Guidelines (G-52-01)
Plateau/Taylor to Kamloops Permanent Tolls (P-3-01)
WKP-Aquila/Hydroelectric Generation Assets Sale (G-112-01)
0
50
100
150
200
250
300
350
From Application to Hearing Order
From Hearing Order to Hearing Start
Hearing Start to Hearing End
Hearing End to Reply Argument
Reply Argument to Decision Release


BCUC Written Hearing Cycle Times 2003/04 to Date
BCH Transmission Service Outstanding Matters (G-19-06)
TGI Operating Agreement with the District of Chetwynd (G17-06)
Kyuquot Rates, Electric Tariff, Terms & Conditions of Service (G-11-06)
FortisBC 2006 Capital Budget Application (G-8-06)
TGI RS# 7, 10, 14, 14A Commodity Rate Schedules 2005/06 Gas Year (G-39-05)
PNG(NE) 2005 Rates - Fort St John/Dawson Creek & Tumbler Ridge (G-42-05)
TGVI Liquefied Natural Gas Storage & Delivery Agreement (G-44-05)
BCTC Transmission System Capital Plan F2006-2015 (G-91-05)
TGI Southern Crossing & Inland Pacific Connector Transactions (G-98-05)
PNG Reconsideration of Income Trust Decision (G-112-05)
Stargas Rates & Gas Tariff Amendments (G-118-05)
Kinder Morgan Acquisition of Terasen Inc. (G-116-05)
PNG Resource Plan for PNG-West Pipeline System (G-124-05)
TGI(Fort Nelson) Schedule of Rates Amendment (G-17-04)
Aquila Transfer of Common Shares to Fortis Pacific Holdings (G-40-04)
PLP 2004/05 RR & Pass-thru Increased Power Purchase Costs (G-51-04)
TGI Rate Schedules 7, 10, 14, 14A -Nov 1, 2004 to Oct 31, 2005 Gas Year (G-64-04)
Fortis Pacific Holdings Aquire a Reviewable Interester in Aquila (G-39-04)
BCG Reconsideration of TGVI 2002 Rate Design Decision (G-46-04)
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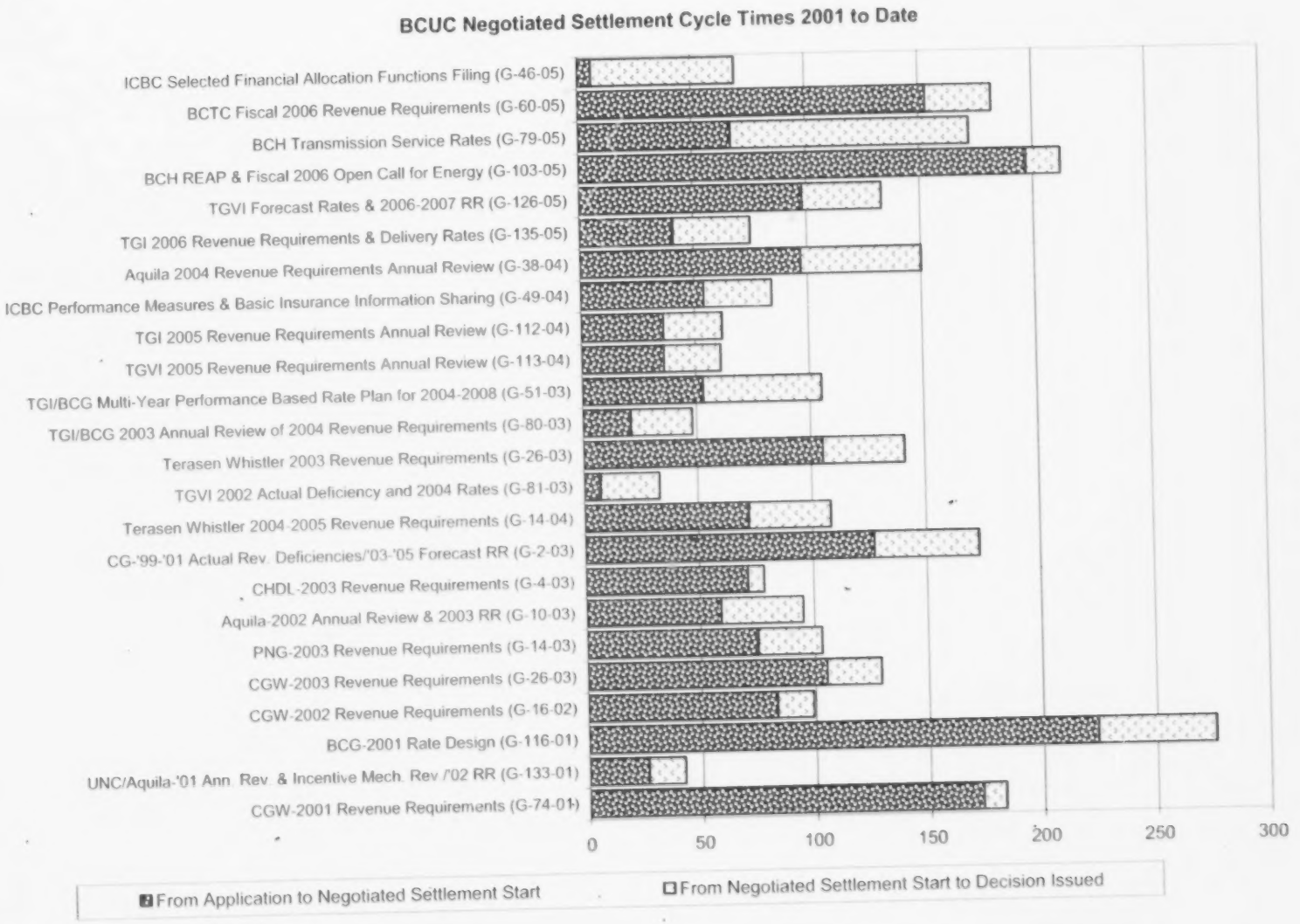
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CGW-2001 Revenue Requirements (G-74-01)
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G-33-05 BCTC

Notice of Written Public Hearing and Regulatory Agenda for the 2006-2015 Transmission System Capital Plan.

G-34-05 BCTC / BC HYDRO

- Assignment Assumption Agreement approval of the General Wheeling Agreement, General Wheeling Amending Agreement (2002) and General Wheeling Amending Agreement (2004) from BC Hydro to BCC.
- Approved BCTC Rate Schedule 21.
- Cancelled BC Hydro Rate Schedule 3817.
- Approved Letter Agreement regarding Rate Harmonization Issues between BC Hydro and FortisBC.

G-35-05 BC HYDRO

Ordered BC Hydro to respond to Information Requests on Transmission Service Stepped Rates issued on April 7, 2005 and April 22, 2005.

Established Workshop and Negotiated Settlement Process for the review of the proposed Transmission Service Rates.

Established a Procedural Conference to be held on May 18, 2005.

G-37-05 BCTC

Approved the Dynamic Scheduling of Exports Application for the period effective April 19, 2005 to March 31, 2006.

Ordered BCTC to file a new Application by November 30, 2005, for the provision of Dynamic Scheduling Service for the period beginning April 1, 2005 to October 31, 2005 with supporting Evaluation Report.

G-38-05 BC HYDRO

Established that BC Hydro will host a Workshop on Transmission Service Stepped Rates, followed by a Negotiated Settlement Process.

Established a Procedural Conference to be held on June 2, 2005.

G-39-05 TERASEN GAS

Approved the termination of Rate Schedule 14 effective October 31, 2005.

Approved the Rate Schedule 14A tariff, except that the Swing Premium under the Annual Fixed Rate option shall continue to be $0.93 per gigajoule.

Approved the extension of the Rate Schedule 10 tariff without material changes.

Approved the extension of the Rate Schedule 7 tariff without material changes.

Ordered Terasen Gas to file report for Rate Schedule 14A within 30 days of the end of each month, summarizing gas purchase and sales quantities, and costs and revenue for each rate option for the month.

G-40-05 TGVI

Established a written review process for the Customer Care Conversion Application and TGI's independent third party report.

G-41-05 TERASEN GAS

Approved the cancellation of Tariff Supplements No. G-16 and G-17 effective November 1, 2004.

Approved new Tariff Supplements No. G-16, G-17 and G-18, effective November 1, 2004.

G-42-05 PNG (N.E.)

Approved the Revised 2005 Revenue Requirements Application subject to the directions contained in the Reasons for Decision.

Denied the revised Fort St. John/Dawson Creek Division revenue sufficiency (excluding Company Use Gas) and the revised Tumbler Ridge Division revenue deficiency (excluding Company Use Gas) as filed in the Revised Application.

Directed the utility to file an amended Summary of Rates and Bill Comparison schedule, along with a method for refunding excess payments back to customers.

G-43-05 TGVI

Approved corporate name change amendments to the Gas Tariff including General Terms and Conditions of Service and Rate Schedules.

G-44-05 TGVI

Approved the LNG Storage Agreement, as amended by the April 14, 2005 and April 20, 2005.

Approved the annual Capacity Demand Rate of $1.44 per gigajoule of Storage Capacity, the annual Vapourization Demand Rate of $57.60 for each gigajoule per day of Firm Vapourization Rate and the Liquefaction Commodity Charge of $0.75 per gigajoule, as set out in Schedule A that accompanied the LNG Storage Agreement.

Reasons for Decision were appended to the Order.

G-45-05 TERASEN GAS

Approved the LNG Storage Agreement, as amended by the April 14, 2005 and April 20, 2005 letters from TGVI and Terasen Gas and including the attached Schedule A.

G-46-05 ICBC

Approved the Negotiated Settlement Agreement as issued on April 27, 2005.

G-47-05 PLP/FORTISBC

Approved, pursuant to Section 54 of the Act, the sale of the PLP Shares to Fortis, the registration on the books of PLP of the transfer of the PLP Shares to Fortis and the subsequent successive sales of the PLP Shares to each of FortisWest and Fortis Pacific.

Approved the registration on the books of PLP of those transfers of the PLP Shares to each of FortisWest and Fortis Pacific, and the acquisition by each of Fortis, FortisWest and Fortis Pacific of a reviewable interest in PLP or such other internal transfer resulting in Fortis Pacific being registered on the books of PLP as the holder of the PLP Shares and having a reviewable interest in PLP.

G-48-05 BC HYDRO

Approved Return on Equity based on an allowed permanent F2006 ROE for BC Hydro of 13.51 percent, effective April 1, 2005.

Ordered BC Hydro to confirm the amount of revenue that will be transferred to its existing deferral accounts as a result of the reduction in the allowed permanent F2006 ROE.

G-49-05 FORTISBC/BCTC

Approved an extension of the Amendment to the General Wheeling Agreement between FortisBC and BCC to May 16, 2000 of the Wholesale Transmission Service Agreement for the transmission of power from FortisBC's South Slocan Generating Station to its Princeton, B.C. substation during off-peak hours for the period May 1, 2005, to July 31, 2005.

G-50-05 BC HYDRO

Order rescheduling the Transmission Services Stepped Rates Procedural Conference.

G-51-05 BC HYDRO

Established a Procedural Conference for the 2005 Resource Options Report.

G-52-05 FORTISBC

Order releasing the Commission's Decision on the 2005 Revenue Requirements, 2005-2024 System Development Plan and 2005 Resource Plan.

G-53-05 TERASEN GAS

Approved the Amendment and Restatement of Firm Transportation Service Agreement with NW Natural Gas, as Tariff Supplement No. 1-6, effective November 1, 2004.

G-54-05 BC HYDRO

Pursuant to Section 26(a) of the Act, only the persons listed in this order may review the Line 71 Agreements in connection with the negotiation of the new Canal Plant Agreement for the purpose of negotiating with BCTC an allocation between BC Hydro and BCTC of the rights and obligations arising from it.

G-55-05 TERASEN GAS

Established a written public hearing process for the Southern Crossing Pipeline and Inland Pacific Connector Application.

G-56-05 TERASEN GAS

Approved Tariff Supplement No. I-8 with Westport Research Inc. for its Interruptible Liquefied Natural Gas Sale and Purchase Agreement effective April 15, 2005, for a period not extending beyond April 1, 2010.

G-57-05 TERASEN GAS

Approved the additional expenditures of $466,000 as a result of proposed enhancements to the Commercial Commodity Unbundling program. Directed the actual enhancement expenditures to be recorded in the Commercial Unbundling Program Deferral Account. Directed to develop an effective Market Pricing Depository and education program for 2005.

Approved the Stable Commodity Rate program for residential customers for the period January 1, 2006 to December 31, 2006.

Approved the additional expenditures of $375,000 as a result of the extension of timeframe for the Stable Commodity Rate program. Directed that the actual expenditures are to be recorded in the Stable Commodity Rate Residential Service Program Deferral Account.

G-58-05 BCTC/BC HYDRO

Order issuing the Commission's Decision into the OATT/IOS Applications.

G-59-05 TERASEN GAS

Ordered that the Commodity Cost Recovery Charges for natural gas customers in the Lower Mainland, Inland and Columbia service areas will increase effective July 1, 2005 in the amounts set out in its Revised 2005 Second Quarter Report that were determined using June 2, 2005 forward gas prices, pursuant to Section 61(4) of the Utilities Commission Act.

Determined that no changes be made to Fort Nelson gas rates or the propane reference price or propane rates for Revelstoke customers effective July 1, 2005.

G-60-05 BCTC

Accepted the Second Quarter 2005 Gas Costs Report and approved the 2006 Revenue Requirements Negotiated Settlement (Appendix 1), with the Terms of Settlement along with Tables 2B-1, 2B-2, 7.1, 7.2 and 7.3 showing the effects of the changes arising from the Negotiated Settlement.

Approved the Depreciation Accounts and corresponding depreciation rates for F2006.

G-61-05 PNG (N.E.)/PNG

Approved for PNG-West an increase in the Gas Supply Charges of $0.20/GJ, and a $0.281/GJ GCVA credit rider and no change to the Company Use Gas Charge, effective July 1, 2005.

Approved for PNG (N.E.)'s Fort St. John and Dawson Creek Division an increase in the Gas Supply Charges of $0.20/GJ and a $0.099/GJ GCVA debit rate rider, effective July 1, 2005.

Approved for Tumbler Ridge an increase in the GCVA credit rate rider to $0.35/GJ, effective July 1, 2005.

Accepted PNG-West's recommendation that current propane rates for the Granisle grid system customers continue unchanged.

G-62-05 BCUC

Order approving the recovery of Commission costs through a levy, at the rate of $0.0091666730 per GJ equivalent of energy sold for the calendar year 2004 shall be paid by, and collected from, all public

utilities in the 2005/06 fiscal year.
Pursuant to Levy Regulation 283/88 and Letter No. L-39-96, the upstream natural gas processors and intraprovincial oil pipelines shall pay $1,000 for the fiscal year commencing April 1, 2005.

G-63-05 TERASEN SQUAMISH

Approved amendments to its Gas Tariff for the closure and removal of Rate Schedule ACR-2, effective June 1, 2005.

G-64-05 BIG WHITE GAS UTILITY LTD.

Directed that normal utility regulation of Big White Gas will commence effective June 1, 2006. The customers currently served on the Big White grid system exceeds the threshold allowed in Commission Order No. G-52-98.

Directed Big White Gas to file:

- an application for revenue requirements and revised Gas Tariff rate schedules for its fiscal year commencing on June 1, 2006.
- Fiscal 2006 Annual Report to the Commission for the year ended May 31, 2006.
- The Annual Report, for the fiscal year ended May 31, 2007, within four months after the end of the financial year in the form and manner prescribed by the Commission.

G-65-05 TERASEN SQUAMISH

Approved a 3.85 percent decrease in rates to Competitive Range Rates-Bottom Commodity Charge customers effective July 1, 2005.

G-66-05 TERASEN GAS

Approved the Deferral account funding in the amount of $300,000 to complete the review and validation of the business model rules for the Residential Unbundling Program and the timeline leading to a CPCN application by March 2006.

Ordered to submit an application by September 16, 2005 addressing the justification of the implementation of Residential Unbundling Program so that a CPCN application for the Residential Unbundling Program can be filed by March 2006.

G-67-05 TGVI

Established the Customer Care Conversion review of the Addendum to the Application, including comments by the Registered Intervenors as set out in the Regulatory Timetable.

G-68-05 TMUS

Approved changes to Gas Cost Recovery Charges for Rate Schedule 1 - Residential Service and Rate Schedule 2 - Small Commercial Service for Sun Rivers, effective July 1, 2005.

Approved amendments to the natural gas Basic Charges, Delivery Charges and Gas Cost Recovery Charges for Sun Rivers in order to maintain customer rates at levels equivalent to those of the Terasen Gas Inland Division, adjacent to Sun Rivers.

Approved amendments to the electric monthly charges, delivery charges and commodity charges for Sun Rivers in order to maintain customer rates at levels equivalent to those of BC Hydro, adjacent to Sun Rivers.

G-69-05 TERASEN GAS/TGVI

Establish a Procedural Conference regarding the regulatory process for the review of the TGI and TGVI Return on Common Equity Application.

G-70-05 BCTC - VITR

Established a Procedural Conference for the Certificate of Public Convenience and Necessity for Vancouver Island Transmission Reinforcement Project Application.

G-71-05 STARGAS

Established a written public hearing process and Regulatory Timetable for the Application to Alter Rates, Make Additional Deferrals, Levy Administrative Charges and Establish a Gas Cost Variance Account.

G-72-05 BCTC - VITR

Established a Pre-hearing Conference and Oral Public Hearing into the Application for a Certificate of Public Convenience and Necessity for the Vancouver Island Transmission Reinforcement

Project to reinforce the electric transmission system serving Vancouver Island and the Southern Gulf Islands.

G-73-05 FORTISBC

Approved the Application to enter into the Amended and Restated Credit Agreement for Facility B, where indebtedness, with a total not to exceed $50 million, could be outstanding for a term of 6 months from the Conversion Date.

G-74-05 FORTISBC

Approved the issuance of up to 300,000 authorized $100 par value Common Shares to Fortis Pacific Holdings Ltd. for a total of up to $30 million, subject to a Resolution of the Board of Directors approving the share issue.

G-75-05 FORTISBC

Approved the Performance Metrics and Targets Report as filed by FortisBC.

G-76-05 KINDER MORGAN, INC. and 0731297 B.C. Ltd.

Established a Procedural Conference regarding the Application by Kinder Morgan to acquire the Common Shares of Terasen Inc.

G-77-05 TGVI

Established a Procedural Conference into the Forecast Rates and Revenue Requirements for years 2006 and 2007 and Revenue Deficiency Deferral Account balance as at December 31, 2004.

G-78-05 ICBC

Established Oral Public Hearing into the Application for 2006 Revenue Requirements for Universal Compulsory Automobile Insurance and related filings.

G-79-05 BC HYDRO

Order and Reasons for Decision approving the Transmission Service Rate Application Negotiated Settlement as issued on June 15, 2005.

G-80-05 TERASEN GAS

Approved the Lease-In-Lease-Out (LILO) Application to enter into the proposed lease arrangements with the Town of Creston.

G-81-05 FORTISBC

Established a written public process and Regulatory Timetable into the Application for Approval of its 2006 Capital Expenditures Plan.

G-82-05 TERASEN GAS

Approved the Bypass Transportation Agreement with Husky as Rate Schedule 22 Tariff Supplement No. G-20 and the cancellation of Tariff Supplement No. G-9

G-83-05 TERASEN GAS

Approved the 2005/06 Gas Supply Mitigation Incentive Program for the gas contract year from November 1, 2005 through to October 31, 2006.

G-84-05 PNG

Approved the Income Trust Application subject to modifications, conditions and directions identified in the Decision dated September 9, 2005.

G-85-05 ICBC

Order establishing the list of issues for the Oral Public Hearing for the 2006 Revenue Requirements for Universal Compulsory Automobile Insurance proceeding.

G-86-05 KINDER MORGAN, INC. and 0731297 B.C. Ltd.

Established a written public hearing process to review the Application by Kinder Morgan to acquire the Common Shares of Terasen Inc. Application.

G-87-05 TERASEN GAS

Approved the Third Quarter Gas Costs Report for the Lower Mainland, Inland, Columbia, Fort Nelson and Revelstoke service areas and resultant increases to customer rates effective October 1, 2005. Annual bill increases will be approximately 13.3 percent for all customers except for Fort Nelson which will

increase by 28 percent.

G-88-05 TERASEN WHISTLER

Accepted the Third Quarter Gas Costs Report and approved an increase in Rider A to $4.470 per gigajoule effective October 1, 2005.

G-89-05 TERASEN SQUAMISH

Directed that the bottom of the range within the Competitive Range Rate schedule be increased from $10.25/GJ to $11.26/GJ or 9.85 percent.

G-90-05 BC HYDRO

Approved the amendments to Rate Schedule 1289 - Net Metering Tariff and Tariff Pages.

G-91-05 BCTC

Order releasing the Commission's Decision into the Transmission System Capital Plan F2006 to F2015 determining that the Application meets the requirements of Section 45(6) and 45 (6.1) of the Act.

G-92-05 PNG / PNG (N.E.)

Accepted the Third Quarter Gas Costs Report and approved an increase in the Gas Supply Charges of $1.50/GJ, and no change to the $0.281/GJ GCVA gas commodity credit rate rider and Company Use Gas credit rate rider of $.0189/GJ, effective October 1, 2005.

Approved an increase in the Gas Supply Charges of $1.50/GJ and no change to the $0.099/GJ GCVA debit rate rider, effective October 1, 2005 for PNG (N.E.)'s Fort St. John and Dawson Creek Division.

Approved an increase in the Gas Supply Charge Rate of $2.50/GJ and no change to the GCVA gas commodity credit rate rider of $0.35/GJ, effective October 1, 2005, for Tumbler Ridge.

Approved an increase to the Propane Supply Charge Recovery rate of $2.213/GJ and no change to the GCVA gas commodity debit rate rider of $1.00/GJ for grid system customers effective October 1, 2005 for Granisle Propane Division.

G-93-05 TERASEN GAS

Approved the revisions to the Stable Commodity Rate Residential Service, G-13-05 Rate Schedule 1S, effective September 26, 2005 for the period of January 1, 2006 to December 31, 2006.

Approved the fixed gas price for Rate Schedule 1S at $11.280/GJ.

G-94-05 PLP

Approved the Business Credit Agreement with CIBC, pursuant to Section 50 of the Act, effective August 29, 2005.

G-95-05 FORTISBC

Established a Written Process and Regulatory Timetable for the Canal Plant Agreement.

G-96-05 BCTC - VITR

Order issuing a Revised Regulatory Agenda and establishing a Pre-hearing Conference for the Certificate of Public Convenience and Necessity for the Vancouver Island Transmission Reinforcement Project Application.

G-97-05 SEA BREEZE VICTORIA CONVERTER CORPORATION

Established a Pre-hearing Conference to hear submissions on the regulatory process for review of the Vancouver Island Cable CPCN Application.

G-98-05 TERASEN GAS

Order and Reasons for Decision approving transactions related to the Southern Crossing Pipeline and Inland Pacific Connector.

Denied the application for the recovery of Inland Pacific Connector development costs.

G-99-05 FORTISBC

Approved the Subcontractor Agreement between Fortis Pacific and FortisBC for the supply of resources to the City of Kelowna, pursuant to Section 61 of the UCA.

G-100-05 SUN PEAKS

Approved the following pursuant to Section 61(4) of the UCA:

- A Gas Commodity Charge – Propane of $15.55/GJ effective October 1, 2005.
- A Gas Commodity Charge – GCRA of $1.1915/GJ effective October 1, 2005.

G-101-05 DUKE ENERGY GAS TRANSMISSION

Approved the continued exemption under Order No. G-96-00 and reissued in the name of Duke Energy Midstream Services Canada Corporation.

G-102-05 FORTISBC

Approved the issuance of a new unsecured debenture in a principal amount of no more than $100 million with interest rates not exceeding 5.2 percent for a 10 year issue and 6.2 percent for a 30 year issue and a term between ten and thirty years.

G-103-05 BC HYDRO

Approved the Resource Expenditure and Acquisition Plan and Fiscal 2006 Open Call for Energy Negotiated Settlement.

G-104-05 TERASEN GAS

Established an Annual Review of the 2006 Revenue Requirement material and issued a Regulatory Timetable with filing deadlines for information requests and responses.

G-105-05 BC HYDRO

Approved the Special Electric Service Agreement - Tariff Supplement No. 70 with West Fraser Mills for a Bypass Rate at the equivalent of Transmission Service Stepped Rate Schedule 1823 plus a monthly rider of $6,931.25 for a period of 20 years, effective July 1, 2005.

G-106-05 TERASEN GAS

Issued a Revised Regulatory Timetable for the Annual Review of the 2006 Revenue Requirement material.

G-107-05 STARGAS

Approved Stargas' Application to replace its CIBC debt with TD debt and increase its total debt up to a maximum of $80,000 with an interest rate not exceeding 7.0 percent.

The rate recoverable for accounting services provided by Okanagan Funding Ltd. is reduced from $250 per hour to $120 per hour.

Approved the deferral and amortization of transaction costs and any possible retirement penalties over a period of 10 years.

G-108-05 ICBC

Issued a Revised Regulatory Agenda and Timetable in the 2006 Revenue Requirements Application and other August 25, 2005 Filings proceeding.

G-109-05 BCTC

Issued a Revised Regulatory Agenda for the Vancouver Island Transmission Reinforcement Project CPCN proceeding.

G-110-05 TERASEN GAS

Approved additional deferral account expenditures of $1,053,800 to complete the scoping and business systems analysis work for the filing of a CPCN application for the Residential Unbundling Program by March 2006.

G-111-05 TERASEN GAS

Approved the cancellation of Tariff Supplement No. G-11 and the reinstatement of the Celgar Pulp Mill as a Rate Schedule 22A customer under the name of Zellstoff, effective November 1, 2005, pursuant to Section 61 of the Utilities Commission Act.

G-112-05 PNG

Order and Reasons for Decision approving PNG's request that the determination on page 32 of the Income Trust Decision be amended.

Determined that the interest rate on the fixed-rate subordinate notes should be 12 percent and that the interest rate for the variable-rate subordinate notes should be 5.75 percent above long Canada bonds.

G-113-05 TGVI/BC HYDRO

Approved the Transportation Service Agreement, Peaking Agreement, Compressor Facility Amendment Agreement and the Capacity Assignment Agreement for the period November 1, 2005 to December 31, 2007.

G-114-05 FORTISBC

Established an Oral Public Hearing process and Regulatory Timetable for the Nk'Mip (East Osoyoos) Transmission and Substation CPCN Application.

G-115-05 FORTISBC

Established a Written Public Hearing Process and Regulatory Timetable for the CPCN Application for the Kettle Valley Distribution Source Project.

G-116-05 KINDER MORGAN, INC. AND 0731297 B.C. LTD.

Order issuing the Commission's Decision approving the Acquisition of the Common Shares of Terasen Inc.

G-117-05 ICBC

Order and Reasons for Decision ruling on the confidential status of Exhibit B-10 filed in the 2006 Revenue Requirements Application and other August 25, 2005 Filings proceeding.

G-118-05 STARGAS

Order and Reasons for Decision approving the Application to Alter Rates, Make Additional Deferrals, Levy Administrative Charges and Establish a Gas Cost Variance Account.

G-119-05 PORT ALICE GAS

Approved the application to change the Propane Commodity Price Bands in the Commodity Fee Formula and amend the General Service Rates Schedule effective November 22, 2006.

G-120-05 PNG

Approved the 2005 Revenue Requirements Settlement Agreement, the Terms of Settlement along with supporting schedules showing the effects of the changes arising from the Negotiated Settlement.

G-121-05 TMUS

Accepted for filing the Propane Supply Agreement with Superior Propane and the Letter Agreement with Terasen Gas Inc. for the supply of propane to the Panorama Mount Resort.

Approved a Gas Cost Recovery Charge of $15.00 per gigajoule for the Panorama Mount Resort, effective November 1, 2005.

G-122-05 PNG (N.E.)

Approved a rate base deferral account for recording unbudgeted and extraordinary incremental costs related to major plant upsets at the Tumbler Ridge Gas Processing Plant in January and February 2005, up to a maximum amount of $175,000.

G-123-05 KYUQUOT POWER LTD.

Established a written public hearing process the Regulatory Agenda regarding the application for approval of an Electric Tariff containing terms and conditions of service and rate schedules. The proposed Electric Tariff was approved on an interim basis, effective November 15, 2005, subject to refund with interest at the average prime rate of Kyuquot's principal bank.

G-124-05 PNG

Order and Reasons for Decision accepting the Resource Plan for the West Pipeline System and directed PNG to submit its next Resource Plan filing no later than three years after the date of this decision, and every three years thereafter, until the Commission determines otherwise.

G-125-05 ICBC

Ruling regarding the 2006 Revenue Requirements Application and other August 25, 2005 Filings and ICBC responses to certain Information Requests submitted on November 4, 2005 by Pemberton Insurance Corporation, the Insurance Bureau of Canada, and Canadian Direct Insurance Inc.

G-126-05 TGVI

Approved the Forecast Rates and Revenue Requirements for years 2006 and 2007 and Revenue Deficiency Deferral Account balance as at December 31, 2004 Negotiated Settlement as issued on November 22, 2005.

G-127-05 BCTC

Order and Reasons for Decision on the Network Economy Service directing that a formal process leading to an enforceable tariff provision to replace the 1999 Rule be initiated.

BCTC is to consult with BC Hydro, third party users of the system and interested parties, and apply to the Commission for approval of a clear, enforceable Network Economy Tariff provision. In the interim, both BCTC and BC Hydro are to make every reasonable effort to comply with the 1999 Rule, and to continue to file the quarterly reports as directed by the OATT Panel at page 98 of the OATT Decision.

G-128-05 Terasen Gas

Approved the Tariff Supplement No. G-21 to provide firm transportation service to CHDL, effective November 1, 2005, subject to the review of the Tariff Supplement No. G-21 rates in the next rate design proceeding.

Established the Monthly Facility Charge revenue will be recorded as a Contribution In Aid of Construction.

G-129-05 FortisBC

Ordered that the Interest Component of the Allowance for Funds Used During Construction is to be treated as a flow-through cost item in 2005.

G-130-05 FortisBC

Established a regulatory timetable to review the 2006 Revenue Requirements and Establishment of a Multi-Year Performance Based Regulation Mechanism Application and attached as Appendix A to this Order, followed by a Pre-hearing Conference to address procedural matters.

Approved an interim rate increase of 5.9 percent, effective January 1, 2006, subject to refund with interest calculated for the refund period at the average prime rate of the principal bank with which FortisBC conducts its business.

G-131-05 Terasen Gas

Approved, effective January 1, 2006, changes to the Commodity Cost Recovery Charges and Midstream Cost Recovery Charges for natural gas customers in the Lower Mainland, Inland and Columbia service areas as set out in the 2005 Fourth Quarter Report.

Approved the MCRA Credit Riders as set out in the December 7, 2005 submission for the period commencing January 1, 2006 and ending December 31, 2006.

Approved a 2006 Net Core Market Administration Expense of $2,347,311, $2,089,107 of this amount will apply for Terasen Gas.

G-132-05 Terasen Gas

Order and Reasons for Decision approving the 2006 Revenue Requirements Application for an increase in delivery rates on an interim basis effective January 1, 2006, subject to refund with interest.

G-133-05 Terasen Gas

Ordered that no change in gas commodity costs for the Fort Nelson service area.

Approved the requested RSAM rider of $0.039/GJ for Rate 1 Residential, Rate 2.1 Small Commercial, Rate 2.2 Large Commercial and Rate 25 General Firm Transportation, effective January 1, 2006.

G-134-05 PNG

Approved an interim increase in the delivery rates for all classes of customers except Methanex and West Fraser, effective January 1, 2006 and established a Negotiated Settlement Process for the review of the 2006 Revenue Requirements Application.

G-135-05 PNG (N.E.)

Approved an interim increase in the delivery rates for all classes of customers, effective January 1, 2006 and established a Negotiated Settlement Process for the review of the 2006 Revenue Requirements Application.

G-136-05 TGVI

Approved the incurrence of indebtedness by TGVI from time to time under the Term Credit Agreement and the PCEPA Repayment Credit Agreement, subject to the credit agreements being substantially similar to the terms set forth in the confidential term sheets, and pricing no more than 25 basis points wider than the relevant margins and standby fees in Appendix 1 of the Application.

G-137-05 TERASEN GAS

Approved the issuance of up to $700 million Medium Term Note Debentures from time-to-time, effective December 22, 2005 until December 31, 2007.

G-138-05 PLP

Approved a 3.4 percent permanent increase for 2005 power purchase costs to the energy component of its rates for all customers resulting in a permanent base rate for energy of $0.04703 per kilowatt-hour.

G-139-05 PLP

Approved Energy Charges and Service and Access Charges on an interim basis, effective January 1, 2006, subject to refund with interest following a decision of the Commission on the FortisBC 2006 Revenue Requirements Application that will establish the pass-through Energy Charges to PLP.

G-140-05 TERASEN WHISTLER / TGVI

Established a Procedural Conference for the TGW 2005 Resource Plan Update, the application for a CPCN to convert the Whistler propane grid system to natural gas and the TGVI CPCN application for a natural gas pipeline lateral from Squamish to Whistler.

G-141-05 BCTC / SEA BREEZE VICTORIA CONVERTER CORPORATION

Issued a Revised Regulatory Agenda for the oral public hearing into the VITR and VIC Applications.

G-142-05 ICBC

Order adjourning the Oral Public Hearing and the Regulatory Agenda and Timetable into the 2006 Revenue Requirements Application and directed ESBC to file a Revised 2006 Revenue Requirements Application.

G-143-05 BC HYDRO

Approved an Electric Tariff variance to allow BC Hydro to accept an agreement with Howe Sound Pulp and Paper for service under Rate Schedule 1852 effective January 1, 2006.

G-144-05 TERASEN GAS

Approved changes to Rate Schedule 25 Authorized and Unauthorized Overrun charges for the Fort Nelson Service Area as requested in the Application, effective January 1, 2006.

G-145-05 PLP

Approved Electric Tariff Rate Schedule EX2 - Street Lighting - Company Owned, Company Installed and Maintained.

G-146-05 TERASEN GAS

Approved for the Commercial Commodity Unbundling Deferral Rate Rider 8, which is applicable to Rate Schedules 2, 2U, 3, and 3U customers (excluding Revelstoke and Fort Nelson) to be set at $.045/GJ, effective January 1, 2006.

Approved for the Stable Commodity Rate Residential Rate Rider 9, which is applicable to Rate Schedules 1 and 1S customers within the Lower Mainland and Columbia service areas (excluding Revelstoke and Fort Nelson) to be set at $.004/GJ, effective January 1, 2006.

G-1-06 CITY OF NELSON

Approved and accepted for filing Electrical Utility Amendment By-Law No. 3050, 2005 incorporating a 2.9 percent rate increase to all customers, effective January 1, 2006.

G-2-06 ICBC

Revised Regulatory Agenda and Timetable for the 2006 Revenue Requirements review.

G-3-06 FORTISBC

Approved for the Nk'Mip (East Osoyoos) Substation Project an amendment to the Public Hearing format to a Pre-hearing Conference and Town Hall Meeting.

G-4-06 STARGAS

Approved a $2.92/GJ increase in its Gas Cost Recovery Charges to $12.14/GJ for Residential customers and $12.36/GJ for Commercial customers, effective January 1, 2006.

G-5-06 KYUQUOT POWER LTD.

Approved the new Debt Servicing Agreement effective December 8, 2005 with Canadian Western Bank.

G-6-06 TERASEN WHISTLER/TGVI

Established an oral public hearing for the review of the TGW 2005 Resource Plan Update, the CPCN Application to convert the Whistler propane grid system to natural gas and TGVI's CPCN Application for a natural gas pipeline lateral from Squamish to Whistler.

G-7-06 FORTISBC

Order amending the start time for the oral public hearing of the Nk'Mip (East Osoyoos) Transmission and Substation Project CPCN.

G-8-06 FORTISBC

Reasons for Decision approving the 2006 Capital Budget Application as it meets the requirements of Section 45(6) and 45 (6.1)(a) of the Act.

G-9-06 ICBC

Approved an interim increase in Basic insurance rates by 6.5 percent for all new or renewal policies with an effective date after March 14, 2006. The interim increase is subject to refund with interest calculated for the refund period at the average prime rate of the principal bank with which ICBC conducts its business. The Commission will determine the manner with which a refund, if there is to be one, will be credited to affected Basic insurance policyholders, at the time it renders its Decision on the Application and Revisions No. 1 and 2 pertaining thereto.

G-10-06 BC HYDRO AND SIMON FRASER UNIVERSITY/VANCOUVER INTERNATIONAL AIRPORT AUTHORITY

Directed BC Hydro to exempt SFU and VIAA from the mandatory stepped and time-of-use rates and serve them, as requested, under Rate Schedule 1827 - Rate for Exempt Customers, by amending Rate Schedule 1827 as required.

G-11-06 KYUQUOT POWER LTD.

Reasons for Decision approving the Electric Tariff, Terms and Conditions of Service and Rates as permanent effective November 15, 2005.

G-12-06 BCTC

Approved the Application for Permanent Approval of the Interim Dynamic Scheduling Tariff on Exports of Energy and Ancillary Services from BCTC's Control Area subject to BCTC filing an updated Attachment O that properly reflects its agreement with BC Hydro that its discounting policy apply to transmission designated for DS Service. The Commission does not oppose BCTC proposing changes to the applicability of its discount policy to DS Service as part of the rate design application it expects to file by December 31, 2006.

G-13-06 FortisBC

Amended Regulatory Timetable finalizing the Negotiated Settlement Process for the 2006 Revenue Requirements Application and establishing an Oral Public Hearing should a Negotiated Settlement not be reached.

G-14-06 Terasen Gas/TGVI

Order issuing the ROE Decision establishing the appropriate common equity component allowed in the capital structure of TGI, TGVI and for a benchmark low-risk utility.

G-15-06 0745848 B.C. Ltd.

Established a written public hearing process for the review of the Acquisition of the Common Shares of Terasen Utility Services Inc.

G-16-06 PNG

Approved a reduction in the calculation of the BCUC levy for the January 1 to March 31, 2006 Quarterly billing from $77,213.18 found in Appendix A Column L of Order No. G-62-05 to $17,580.75 to reflect the reduced energy sales from the Methanex plant closure.

G-17-06 Terasen Gas

Reasons for Decision approving the Operating Agreement proposed by Terasen on October 21, 2005, and amended as proposed by the District of Chetwynd on November 4, 2005, effective July 1, 2005. The approved Operating Agreement between Terasen and the District of Chetwynd shall expire twenty-one years from the 1st day of July 2005.

G-18-06 BCTC/BC Hydro

Approved BCTC's Application for Loss Compensation Service for the period March 1, 2006 to March 1, 2007 and BC Hydro's Rate Schedule 3016 for the period March 1, 2006 to March 1, 2007.

G-19-06 BC Hydro

Approved the Transmission Service Outstanding Matters Application regarding outstanding matters from the Transmission Service Rates Negotiated Settlement Agreement. Section 6.2 of the CBL Guidelines contains a procedure for dealing with disputes regarding the determination of a customer's CBL, and directs parties to resolve disputes under that section of the CBL Guidelines. If any party believes that further changes are required to the CBL Guidelines themselves, such changes may be proposed in the context of the next BC Hydro rate design application.

G-21-06 FortisBC

Approved the 2005 Incentive Adjustments for both shared and flow-through components along with Performance Standards on System Reliability, Customer Service and Informational Metrics as presented at the 2005 Annual Review.

G-22-06 BCTC

Approved the amendment of Rate Schedule 21 by replacing the Annual Rate for South Slocan to the Vernon Terminal with an Annual Rate for South Slocan to Okanagan Point of Interconnection with $19,000 per MW of Nominated Wheeling Demand effective February 1, 2006.

G-23-06 Terasen Whistler/TGVI

Established a written oral hearing to review the TGW 2005 Resource Plan Update, the CPCN Application to convert the Whistler propane grid system to natural gas and TGVI's CPCN Application for a natural gas pipeline lateral from Squamish to Whistler.

G-24-06 Terasen Squamish

Approved a decrease in the natural gas Competitive Range Rate rate schedule effective April 1, 2006 under the terms of the Vancouver Island Natural Gas Pipeline Act.

G-25-06 Terasen Gas

Accepted the First Quarter 2006 Gas Cost Commodity Report and approved changes to the Commodity Cost Recovery Charges and Midstream Cost Recovery Charge Riders for natural gas customers in the Lower Mainland, Inland and Columbia Service Areas effective April 1, 2006 to the amounts set out in Terasen Gas' Revised 2006 First Quarter Report.

Approved a decrease in the Commodity Cost Recovery Charge for natural gas customers in the Fort Nelson Service Area effective April 1, 2006, as requested in the Fort Nelson 2006 First Quarter Report.

Denied Terasen Gas' request to increase the Revelstoke propane reference price and propane customer rates effective April 1, 2006, as set out in the 2006 First Quarter Report for Revelstoke.

G-27-06 BC HYDRO

Approved the Customer Baseline Loads in the column titled "CBL for Interim Approval" in Appendix B on an interim basis, effective March 21, 2006.

Ordered BC Hydro to file all CBLs by May 31, 2006.

Ordered that the Commission will decide after May 31, 2006 on a process for dealing with disputes when BC Hydro and a customer disagree on the CBL proposed by BC Hydro.

Ordered that BC Hydro to make any necessary billing adjustments once the Commission has approved the final CBLs, as set out in section 6.2.3 of the CBL Guidelines.

G-28-06 PNG

Accepted the First Quarter 2006 Gas Cost Commodity Report and approved for PNG permanent Gas Supply Cost Recovery Charges for PNG-West customers effective April 1, 2006.

The Commission approves and accepts the recommendation that no changes be made to the GCVA rate riders for PNG West or to the Propane Supply Cost Recovery Charge or GCVA rate rider for Granisle propane customers as of April 1, 2006.

G-29-06 PNG (N.E.)

Accepted the First Quarter 2006 Gas Cost Commodity Report and approved the permanent Gas Supply Cost Recovery Charges and GCVA rate riders for sales service customers as recommended in the Report, effective April 1, 2006 for the PNG (NE) Fort St. John/Dawson Creek and Tumbler Ridge service areas.

G-30-06 DUKE ENERGY FIELD SERVICES CANADA PARTNERSHIP

Approved an exemption from Part 3 of the Act, other than Sections 24 and 25, of the facilities in the Peggo, Midwinter, Tooga and Sunrise areas, which DEFSCP uses to transport or process natural gas for others.

G-31-06 TERASEN WHISTLER

Ordered that the distribution of the redacted version of the Accommodation Agreement for the proposed Whistler Gas Pipeline be limited to parties to the proceeding and that its terms be kept confidential.

G-34-06 BCTC

Approved the current customer rates for 2007/08 Revenue Requirements as interim effective on and after April 1, 2006.

Ordered that any further determination on BCTC's rates will be made following the filing of the Transmission Revenue Requirement Application.

G-35-06 BCTC

Ordered a written public hearing process and established a Regulatory Timetable.

Ordered BCTC to provide a copy of this Order to all Intervenors who registered for the System Capital Plan F2006-2015 proceeding.

Certificates of Public Convenience and Necessity

C-4-05 TERASEN GAS

Approved the extension of the Franchise Agreement with the City of Cranbrook, from December 31, 2004 to December 31, 2005.

C-5-05 TERASEN GAS

Approved the extension of the Franchise Agreement with the City of Fernie, from December 31, 2004 to December 31, 2005.

C-6-05 TERASEN GAS

Approved the extension of the Franchise Agreement with the City of Grand Forks, from December 31, 2004 to December 31, 2005.

C-7-05 TERASEN GAS

Approved the extension of the Franchise Agreement with the City of Kimberley, from December 31, 2004 to December 31, 2005.

C-8-05 TERASEN GAS

Approved the extension of the Franchise Agreement with the City of Rossland, from December 31, 2004 to December 31, 2005.

C-9-05 TERASEN GAS

Approved the extension of the Interim Franchise Agreement with the Town of Creston, from December 31, 2004 to December 31, 2005.

C-10-05 TERASEN GAS

Approved the extension of the Franchise Agreement with the District of 100 Mile House, from December 31, 2004 to December 31, 2005.

C-11-05 TERASEN GAS

Approved the extension of the Interim Franchise Agreement with the Town of Oliver, from December 31, 2004 to December 31, 2005.

C-12-05 TERASEN GAS

Approved the extension of the Interim Franchise Agreement with the Town of Osoyoos, from December 31, 2004 to December 31, 2005.

C-13-05 TMUS

Issued a CPCN for the construction and operation of natural gas and electric utility distribution systems at Sonoma Pines, with TMUS being responsible for obtaining all other necessary licences, permits and agency approvals.

C-14-05 TERASEN GAS

Approved the extension of the Operating Agreement from July 1, 2005 to June 30, 2006 or sixty days after the Commission's approval of a new Operating Agreement between Terasen Gas and the District of Hudson's Hope, whichever is earlier.

C-15-05 TGVI

Issued a CPCN for the conversion of the Customer Care activities and approved for TGI a new Schedule H as an Amendment to include TGVI in the existing Client Service Agreement between TGI and Customer Works.

C-16-05 TGW

Approved the CPCN for the propane grid system facility upgrades as set out in the Application.

Natural Gas Marketer Licences
(formerly Agents/Brokers/Marketers Licences)

A-3-05 **ENERGY SAVINGS (BC) LIMITED PARTNERSHIP (ESBC)**

Approved a Natural Gas Marketer Licence for the period of November 1, 2005 to October 31, 2006.

A-4-05 **NEXEN MARKETING**

Approved a Gas Marketer Licence for Nexen for the period November 1, 2005 to October 31, 2006.

A-5-05 **CEG ENERGY OPTIONS INC.**

Approved a Gas Marketer Licence for the period November 1, 2005 to October 31, 2006.

A-6-05 **COLUMBIA ENERGY INC.**

Approved a Gas Marketer Licence for the period November 1, 2005 to October 31, 2006.

A-7-05 **AVISTA ENERGY CANADA LTD.**

Approved a Gas Marketer Licence for the period November 1, 2005 to October 31, 2006.

A-1-06 **DIRECT ENERGY MARKETING LIMITED**

Approved a Gas Marketer Licence for DEML's Commercial Commodity Unbundling Program that is valid for the period February 1, 2006 to January 31, 2007.

Other Orders

ENERGY SUPPLY CONTRACTS

E-1-06	TERASEN GAS	Incremental Jackson Prairie Natural Gas Storage Service
E-2-05	STARGAS	Natural Gas Supply and Management Service Agreement with Direct Energy Marketing
E-3-05	BC HYDRO	Amended Agreements to Electricity Purchase Agreements
E-4-05	BC HYDRO	Amending Agreements to Electricity Purchase Agreements
E-5-05	TERASEN GAS	2005/2006 Natural Gas Supply Contracts
E-6-05	PNG	2005/2006 Natural Gas Supply Contracts
E-7-05	SUN PEAKS	Propane Supply Agreement and the Confirmation between MP Energy and Terasen Utility Services Inc.
E-8-05	TGVI	2005/2006 Natural Gas Supply Contracts
E-9-05	BC HYDRO	Amending Agreements to Electricity Purchase Agreements

PARTICIPANT ASSISTANCE/COST AWARDS

F-8-05	TGVI	2004 Annual Review and 2005 Customer Rates - $14, 407.92
F-9-05	BC HYDRO	Call for Tenders for Capacity on Vancouver Island/Review of Electricity Purchase Agreement - $457,808.91
F-10-05	FORTISBC	2005 Revenue Requirements/2005-2024 System Development Plan/2005 Resource Plan - $73,953.49
F-11-05	BCTC	Fiscal 2006 Revenue Requirements - $16,652.79
F-12-05	BCTC/BC HYDRO	Open Access Transmission Tariff / Interconnected Operations Services - $251,446.48
F-13-05	ICBC	Selected Financial Allocation Functions - Phase 2 - $7,412.3
F-14-05	FORTISBC	2005 Revenue Requirements/2005-2024 System Development Plan/2005 Resource Plan - $23,668.21
F-15-05	BC HYDRO	2005 Resource Options Report - $0.00
F-16-05	TGVI	Customer Care Conversion CPCN - $7,086.06
F-17-05	BC HYDRO	Transmission Services Rates - $42,461.96

PARTICIPANT ASSISTANCE/COST AWARDS
(Continued)

F-18-05	TERASEN GAS	Transactions with Respect to the Southern Crossing Pipeline and Inland Pacific Connector - $7,774.20
F-19-05	PNG	Income Trust Conversion - $174,584.51
F-1-06	PNG	2005 Revenue Requirements - $11,775.05
F-2-06	TERASEN GAS	2005 Annual Review and Settlement of its 2006 Revenue Requirements - $9,800.64
F-3-06	TGVI	Forecast Rates and Revenue Requirements for Years 2006 and 2007 and Revenue Deficiency Deferral Account balance as at December 31, 2004 - $26,921.86
F-4-06	TERASEN GAS	2005 Annual Review and Settlement of its 2006 Revenue Requirements - $9,700.20

PETROLEUM

P-4-05	Plateau	Revised 2005 Tolls for the Northeast B.C. and Blueberry Crude Oil Pipelines
P-5-05	Plateau	Revised 2005 Tolls for the Northeast B.C. and Blueberry Crude Oil Pipelines

L-25-05 PNG (N.E.)

Directed the Utility to file a report identifying the impact on 2005 income taxes that would result of the proposed increases in the Capital Cost Allowance were to take effect.

L-26-05 BC HYDRO

Approved the discontinuation of the Resource Management Plan quarterly reports to the Commission.

L-27-05 TERASEN GAS

Letter regarding the Terms of Reference for engaging the independent third party with respect to Customer Care Agreements.

L-28-05 BC HYDRO

Letter dated April 7, 2005 issuing the Regulatory Timetable (Exhibit A-1) for the review of the Resource Expenditure and Acquisition Plan Application.

L-29-05 TGVI

Letter requesting participants to the Resource Plan and LNG CPCN proceeding to provide comments on the LNG Storage and Delivery Agreement.

L-30-05 TERASEN GAS

Accepted the 2004 Resource Plan and requested that the 2006 annual statement of extensions under Section 46(6) be submitted with the 2006 Resource Plan.

L-31-05 ICBC

Accepted the proposed level of year-end reporting to the Commission by May 31 that will include the following:

- ICBC's Annual Report
- Supplementary schedules as identified in the annotated P&C-1 (the annual return which is required of federally regulated property and casualty insurance companies). The table of contents is attached as an Appendix to the ESBC letter dated April 20, 2005.
- Performance Statistics (actual results) for the Performance Measures as directed in Order No. G 49-04 and set out in the Negotiated Settlement Agreement with respect to Performance Measures for ICBC.

L-32-05 BC HYDRO

Letter dated April 28, 2005 responding to Planit Management Inc.'s request that BC Hydro be directed to apply to the Commission to increase the limit on the net metering program from 50 kW to 1 MW.

L-33-05 BC HYDRO

Letter dated May 26, 2005 rescheduling the Pre-hearing Conference for the Resource Expenditure and Acquisition Plan proceeding (Exhibit A-4).

L-35-05 TERASEN SQUAMISH

Letter confirming that the proposed main extension to the Sea to Sky University should proceed.

L-36-05 TERASEN GAS

Letter dated June 9, 2005 responding to the District of Chetwynd's concerns regarding the natural gas rates charged in Chetwynd.

L-37-05 BC HYDRO

Letter dated June 14, 2005 rescheduling the Procedural Conference for the 2005 Resource Options Report proceeding and directing BC Hydro to file any amendments to the Terms of Reference (Exhibit A-2).

L-38-05 TERASEN GAS

Letter dated June 14, 2005 amending the commencement time for the Workshop on the Southern Crossing Pipeline and the Inland Pacific Connector Transactions proceeding.

L-39-05 BCTC

Letter dated June 15, 2006 amending the filing deadlines in the 2005 Transmission System Capital Plan proceeding (Exhibit A-4).

L-40-05 ICBC

Letter regarding the proposed regulatory filing schedule for the remainder of 2005.

L-41-05 TERASEN WHISTLER

Approved the 2005 Second Quarter Report recommending that propane grid system rates for the Whistler service area not change effective July 1, 2005.

L-42-05 BC HYDRO

Letter advising that a process to review the proposed change to the net metering program and the June 1, 2005 Rate Schedule 1289-Net Metering Monitoring and Evaluation Report will be established upon receipt of the application.

L-43-05 PNG

Accepted the 2005/06 Annual Gas Contract Plan and Price Management Plan for the PNG-West, Fort St. John/Dawson Creek and Tumbler Ridge service areas.

L-44-05 TGVI

Approved the 2005 Second Quarter Report recommending that the customer rates remain unchanged for the Vancouver Island and Sunshine Coast service areas, effective July 1, 2005.

L-45-05 TERASEN GAS

Letter dated July 29, 2005 accepting the 2004 Transmission Pipeline Integrity Plan Activities Report.

L-46-05 TMUS

Directed that the utility file two annual reports for Sun Rivers (2004 Gas Annual Report and 2004 Electrical Annual Report) that conform to the Annual Report standards for gas and electric utilities.

L-47-05 PLP

Letter dated June 22, 2005 regarding the BC Court of Appeal and Contracting Deferral Account. PLP was directed to address the points made in the Court of Appeal's May 30, 2005 judgment as to why the costs incurred by the Utility should be recoverable from customers.

L-48-05 FORTISBC

Letter dated June 23, 2005 clarifying the Commission Panel's determination in Section 3.2 of the May 31, 2005 Decision regarding the Utility's Revenue Requirements, 2005-2024 System Development Plan and 2005 Resource Plan.

L-49-05 TMUS

Letter dated July 5, 2005 directing TMUS to file a 2004 Annual Report for Panorama.

L-50-05 BC HYDRO

Letter dated July 6, 2005 regarding procedures for handling new customer complaints.

L-51-05 BC HYDRO

Letter dated July 8, 2005 amending the Regulatory Timetable for the Resource Expenditure and Acquisition Plan proceeding.

L-52-05 BC HYDRO

Letter dated July 13, 2005 commenting on the DSM Milestone Evaluation Summaries F2004; Semi-Annual Report on DSM dated June 2005; and Summary of DSM Evaluation Reports for Fiscal 2004/05.

L-53-05 TERASEN SQUAMISH

Letter dated July 14, 2005 confirming that the Penny Lane main extension should proceed.

L-54-05 BC HYDRO

Letter dated July 19, 2005 inviting interested parties to comment on the proposed revision to Rate Schedule 1289 and the June 2, 2005 Net Metering Monitoring and Evaluation Report.

L-55-05 BC HYDRO

Approved and accepted for filing the diesel generation costs and the rates for Tariff Supplements No. 7 (Central Coast Power Corporation), No. 8 (Queen Charlotte Power Corporation), and Stikine Nation Corporation.

L-56-05 TERASEN GAS

Accepted the 2005/06 Midstream Annual Gas Contracting Plan.

L-57-05 FORTISBC/BCTC

Letter dated July 21, 2005 requesting a report regarding the Nelson Hydro complaint on the Islanding event of June 13, 2005.

L-58-05 TERASEN GAS/TGVI

Letter requesting Participants in the ROE/Automatic Adjustment Mechanism Review to notify the Commission of any objection to the appointment of Commissioner O'Hara to the Panel for this proceeding.

L-59-05 BCTC

Letter dated July 19, 2005 requesting Participants' comments on the JIESC application for Reconsideration of the June 20, 2005 Decision into the BCTC OATT and BC Hydro IOS Applications (Exhibit A-1).

L-60-05 BC HYDRO

Letter dated July 20, 2005 providing Commission comments and directions and an amendment to the Regulatory Timetable regarding the 2005 Resource Options Report proceeding.

L-61-05 TERASEN GAS

Letter dated July 22, 2005 accepting the 2005 Price Management Plan (November 2005 to October 2008) and directed the Utility to implement the components identified by the Commission.

L-62-05 BCTC

Denied the TRAHVOL request for a delay of the VITR Procedural Conference and advised that registrations for Intervenor and Interested Party status will be accepted until September 16, 2005 (Exhibit C3-4).

L-63-05 TGVI

Letter requesting TGVI and TGVI's past Intervenors to comment on the process to review the 2006 Revenue Requirements Application; a Draft Regulatory Agenda and Timetable for a negotiated settlement process was also provided for comment.

L-64-05 FORTISBC

Letter requesting comments from the Registered Intervenors in the 2005 Revenue Requirements Oral Public Hearing process with respect to the performance metrics and specific targets for 2005.

L-65-05 TERASEN WHISTLER

Denied the requested accounting treatment in the form of a deferral account for preliminary expenditures on a natural gas supply strategy related to a natural gas pipeline option for Whistler, and denied the Application to record current development expenditures in a deferral account.

L-66-05 TMUS

Approved an extension to the filing deadlines for the Sun Rivers and Panorama 2004 Annual Reports.

L-67-05 TERASEN GAS/TGVI

Letter dated August 5, 2005 defining the scope for review of the Application and issuing an updated Regulatory Timetable for the Return on Equity and Automatic Adjustment Mechanism proceeding (Exhibit A-6).

L-68-05 TERASEN WHISTLER

Letter establishing a written comment process and Regulatory Agenda for the review of the Whistler Distribution System Bridging Facilities CPCN application.

L-69-05 BC HYDRO

Letter dated August 22, 2005 issuing the Regulatory Timetable and addressing comments made at the Pre-hearing Conference regarding the Resource Expenditure and Acquisition Plan application.

L-70-05 BCTC

Approved emergency capital expenditures relating to the replacement of a 230 kV breaker at Walters Substation and the replacement of a failed 500/230 kV transformer at Selkirk Substation.

L-71-05 PNG

Letter dated August 23, 2005 inviting participants in the 2005 Revenue Requirements and Income Trust proceedings to intervene in the Resource Plan for PNG-West Pipeline System proceeding.

L-72-05 TERASEN GAS

Letter requesting Terasen Gas to respond to the Direct Energy Marketing Limited complaint regarding Utility practices related to Rate Schedules 10 and 14A for gas sales to transportation customers and others.

L-73-05 TERASEN GAS

Letter regarding the draft Business Model and Key Business Rules with respect to Residential Unbundling.

L-74-05 TGVI

Accepted the 2005/06 Annual Gas Contracting Plan subject to the understanding that all individual gas supply contracts and amendments will continue to be filed in a timely manner pursuant to Section 71 of the UCA.

L-75-05 BC HYDRO/BCTC

Letter requesting participants of the BC Hydro F2005 and F2006 Revenue Requirements proceeding to file submissions on the question of the Commission's jurisdiction to approve the April 1, 2005 Service Level Agreements and on the question of whether or not there should be a public hearing.

L-76-05 TGVI

Approved the 2005 Third Quarter Report recommending that the customer rates remain unchanged for the Vancouver Island and Sunshine Coast service areas.

L-77-05 BCTC

Reasons for Decision denying the Joint Industry Electricity Steering Committee's request for reconsideration of the June 20, 2005 Decision on the BCTC OATT and BC Hydro IOS applications.

L-78-05 BC HYDRO

Approved the following for BC Hydro:

1. Part C of the Generating Plant and Operational Obligations Agreement ("GP/OOA") and parts of its applicable thereto including Part D; and

2. The Terms and Conditions of British Columbia Hydro and Power Authority's ("BC Hydro") Interconnected Operations Services rate schedules (Tariff Supplement 69).

L-79-05 TGVI

Letter dated September 22, 2005 issuing the Regulatory Agenda and Timetable for the 2006-2007 Revenue Requirements proceeding.

L-80-05 BCTC

Approved an amendment to the definition of the Emergency Maintenance Deferral Account and confirms the recording of both positive and negative variances between forecast and actual cost of market expenditures in the Cost of Market Deferral Account.

L-81-05 TERASEN GAS/TGVI

Letter dated September 29, 2005 issuing Reasons denying the IIESC request that the Commission Chair should not sit on the Panel hearing the Return on Equity and Automatic Adjustment Mechanism application.

L-82-05 TERASEN GAS

Letter dated October 7, 2005 establishing a written inquiry into the Operating Terms for the Supply and Distribution of Natural Gas within the District of Chetwynd.

L-83-05 TERASEN WHISTLER

Letter regarding the increase in the cost estimate of the third propane offloading tower and remote plant monitoring.

L-84-05 PNG

Letter dated October 7, 2005 establishing a Negotiated Settlement Process and NSP Timetable for the 2005 Revenue Requirements proceeding.

L-85-05 BC HYDRO

Reasons relating to the BC Sustainable Energy Association/The Sierra Club of Canada, BC Chapter application for participant assistance/cost award regarding the 2005 Resource Options Report proceeding.

L-86-05 TERASEN GAS

Approved an extension to the timetable for further submissions from Terasen Gas and the District of Chetwynd on the Operating Terms for the supply and distribution of natural gas service within the boundaries of Chetwynd.

L-87-05 BCTC

Letter dated October 12, 2005 amending a Revised Regulatory Timetable for the VITR proceeding.

L-88-05 ICBC

Letter dated October 12, 2005 issuing a revised Regulatory Agenda and Timetable for comment by participants in the 2006 Revenue Requirements and Other August 22, 2005 Filings proceeding.

L-89-05 ICBC

Response to Canadian Direct Insurance Inc. advising that the type of actuarial review CDI suggested for Basic Insurance rate indicators is not warranted for the ICBC 2006 Revenue Requirements application.

L-90-05 BC HYDRO/BCTC

Accepted the Service Level Agreements as filed for information. The Commission will exercise its jurisdiction to review the costs arising from the Service Level Agreements in the revenue requirements proceedings for BC Hydro and BCTC.

L-91-05 BCTC

Denied Sea Breeze Pacific Regional Transmission System, Inc.'s request that the Commission require BCC and any other participants who may wish to oppose the consolidation of the proceedings to review the VITR Application and the Vancouver Island Cable Project Application to file written argument.

L-92-05 BC HYDRO

Established a written comment process on the BC Sustainable Energy Association/The Sierra Club of Canada, BC Chapter applying for reconsideration of the Commission's decision in Order No. F-15-05, and a participant cost award in the amount requested in their July 29, 2005 application, with respect to the BC Hydro 2005 Resource Options Report proceeding.

L-93-05 ICBC

Initiated a process to further examine and seek to determine whether or not the current confidential status of Exhibit B-10 requires to be preserved in the 2006 Revenue Requirements proceeding.

L-94-05 ICBC

Amended the process established in Letter No. L-93-05 to include the opportunity for ESBC to submit a final reply to Registered Intervener submissions.

L-96-05 TERASEN GAS/ACCENTURE BUSINESS SERVICES

Response to the Canadian Office and Professional Employees Union regarding the closure of the Accenture Business Services Kelowna operations.

L-97-05 FORTISBC

Clarification of directives contained in the 2005 Revenue Requirements May 31, 2005 Decision.

L-98-05 TGVI

Letter dated November 15, 2005 cancelling the November 21, 2005 Procedural Conference for the 2006-2007 Revenue Requirements proceeding.

L-99-05 TMUS

Letter identifying deficiencies in the Sun Rivers Gas and Electric 2004 Annual Reports.

L-100-05 TMUS

Letter identifying deficiencies in the Panorama 2004 Annual Report.

L-101-05 ICBC

Letter directing ICBC to file a final reply to the November 16, 2005 Pemberton Insurance Corporation and the Insurance Bureau of Canada submissions regarding their Information Requests on the 2006 Revenue Requirements for Universal Compulsory Automobile Insurance.

L-102-05 BCTC

Letter dated November 25, 2005 issuing Notice of Town Hall Meetings and confirming the date, time and location of the public hearing.

L-103-05 BCTC

Letter dated December 1, 2005 providing the Commission Panel Decision regarding the Huf'quminum Treaty Group's request for Advance Orders and other submissions as set out in Exhibits C27-3, C27-5, and C27-7 and issuing a revised Regulatory Timetable.

L-104-05 Terasen Gas/FortisBC / PNG

Letter dated December 2, 2005 setting out the 2006 return on common equity for a low-risk benchmark utility.

L-105-05 Terasen Gas (Whistler)

Letter commenting on the 2004 Mains Extension Review report dated July 26, 2005.

L-106-05 Stargas

Letter outlining the criteria for an Application for Reconsideration into the Commission's Reasons for Decision appended to Order No. G-119-05 on the 2005 Stargas Application To Alter Rates, Make Additional Deferrals and Levy Administrative Charges.

L-107-05 Terasen, Terasen Gas, Inc.

2005 - Fourth Quarter Gas Costs Report - Fort Nelson Division.

L-108-05 Terasen Whistler

Approved the 2005 Fourth Quarter Report recommending that propane grid system rates for the Whistler service area that includes a propane purchase cost of $0.803/GJ and Rate Rider A of $4.470/GJ, not change, effective January 1, 2006.

L-109-05 Terasen Gas

Approved the 2005 Fourth Quarter Report recommending that customer rates remain unchanged for the Squamish grid system service area.

L-110-05 TGVI

Approved the 2005 Fourth Quarter Report recommending that customer rates remain as set out in Order No. G-120-05 and the Negotiated Settlement Agreement for the Vancouver Island and the Sunshine Coast service areas.

L-111-05 PNG

Approved the establishment of a Deferral Account to record the net PNG share of the Kitimat to Summit Lake Pipeline Looping Project preliminary costs under Account 172 of the Uniform System of Accounts.

This approval in no way addresses whether the costs recorded in the account are prudent, beneficial to customers, or recoverable by PNG in its rates, all of which will be determined by the Commission at a future time.

L-1-06 FORTISBC

Letter advising participants to the Nk'Mip East Osoyoos Transmission and Substation Project CPCN proceeding that no Participant Funding would be available for this proceeding. This determination was made in the expectation that the issues for this hearing were of a local nature and that due to the Osoyoos location for the public hearing, Intervenors would not be required to incur costs to participate.

L-2-06 STARGAS

Denied Stargas' Application for Reconsideration and Variance of Commission Order No. G-118-05 as the application does not meet the threshold required for reconsideration of the Commission's Decision.

L-3-06 BC HYDRO

Denied the B.C. Sustainable Energy Association and the Sierra Club of Canada request for further reconsideration of Order No. F-15-05 and Letter No. L-85-05 as the application did not meet met the criteria to advance to the second phase of reconsideration. The Commission Panel found that the claim of error in fact or law has not been substantiated on a prima facie basis and the alleged error does not have significant material implications.

L-4-06 TERASEN SQUAMISH

Denied approval of the Thunderbird Creek Main Extension and the main extension has not met the approved main extension test and therefore approval is not warranted.

L-5-06 TERASEN GAS

Approved the Residential Unbundling - Business Model and Key Business Rules and recommendations set out in Appendix A and endorses the recommendations in Appendix B.

L-6-06 TERASEN GAS

Directed Terasen Gas and the District of Chetwynd to file a submission regarding the proposed commencement date of a new Operating Agreement or the Supply and Distribution of Natural Gas within the District of Chetwynd.

L-7-06 BC HYDRO

Approved the extension of the deadline for customers to decide whether or not to aggregate or disaggregate its plants for the purposes of Customer Baseline Load determination until March 1, 2006.

L-8-06 ICBC

Letter advising ICBC and Intervenors of the change in the Public Hearing commencement date, time and location for the 2006 Revenue Requirements and Other August 22, 2005 Filings proceeding.

L-9-06 TERASEN GAS

Accepted the calculation of incentive payments and issued the Commission staff report entitled "Overview of the Gas Supply Mitigation Incentive Program ("GSMIP") for 2004/05.

L-10-06 TERASEN SQUAMISH

Letter summarizing the Commission's examination of the Garibaldi/Brackendale Main Extension Review.

L-11-06 TGVI

Letter commenting on the review of Main Extension Test and directing the utility to file a report describing the main extension test inputs for TGI and TGVI and explaining the reasons for any differences. The report should describe the measures that TGVI proposes to use to assess the accuracy and effectiveness of the TGVI main extension test, and the data that TGVI will collect to support those measures.

Publications

Copies of the following publications are available upon request or from the Commission's web site at *http://www.bcuc.com* :

- Utilities Commission Act, R.S.B.C. 1996, Ch. 473
- Introduction to the BC Utilities Commission - what it is, what it does, and why (pamphlet)
- Public Hearing Process - why we have public hearings and how to participate (pamphlet)
- Complaint Handling Procedures (pamphlet)
- Understanding Utility Regulation: A Participants' Guide to the British Columbia Utilities Commission
- Retail Markets Downstream of the Utility Meter Guidelines
- Resource Planning Guidelines
- Negotiated Settlement Procedures
- Guidelines for Certificate of Public Convenience and Necessity Applications
- Setting Gas Recovery Rates and Managing the Gas Cost Reconciliation Balance Guidelines

Copies of the following documents issued by the Commission are also available upon request or from the Commission's web site:

- Orders
- Decisions
- Regulatory Agendas
- Annual Reports
- Participant Assistance Cost Award Guidelines - Revised
- Service Plans
- Return on Common Equity

Commission Contacts

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Web Site

Internet users are invited to visit the Commission's web site at *http://www.bcuc.com*.

Glossary of Terms

allowance for funds used during construction (AFUDC)	The amount a regulated entity is allowed to earn to recover its cost of financing assets under construction. AFUDC is equal to the average cost of the construction work in process, times a financing rate which is usually equal to the entity's cost of capital rate. AFUDC is not recovered immediately through rates; it is included in the cost of the related assets and recovered in future periods through the depreciation charge.
allowed rate of return	The rate of return a regulated entity is allowed the opportunity to earn. When applied to the rate base, the allowed rate of return provides an amount equal to the cost of financing the investment required for regulated operations. The financing costs include both the cost of debt and the cost of equity.
alternative dispute resolution (ADR)	See "negotiated settlement process".
application for reconsideration	An application to have the Commission reconsider, vary, or rescind a decision or order previously issued.
burnertip rate	The rate charged for gas at the customer's meter, including the delivery charge, fixed monthly charge and gas commodity charge. It is usually calculated as an annual average rate based on typical annual consumption for the customer class.
capital cost	The fixed costs associated with the construction of an energy facility, including land and siting costs, material and labour costs, allowance for funds used during construction, and other applicable overhead charges.
cogeneration	The generation of electric power in conjunction with the use of steam in an industrial or space heating process, using waste heat from one process to drive the other. Cogeneration is more efficient compared to traditional thermal generating plants.
commercial commodity unbundling (also see 'residential commodity unbundling')	the program provides commercial customers (Rates 2, 3 and 23) of Terasen Gas Inc. with the opportunity to enter into a natural gas commodity supply arrangement with a licensed gas marketer.
common carrier(s)	An energy transportation provider, typically a crude oil or natural gas pipeline which provides service on a non-discriminatory basis to all potential shippers.

cost of service	The total cost of providing service, including operating and maintenance expenses, depreciation, amortization, taxes and cost of capital. The cost of service is also known as "revenue requirements".
cost of service study	A study to determine the cost of service by class of service and/or customer. These studies are used to help determine how the revenue requirements are to be allocated among the rates for the various services/customers.
cross subsidization	Increasing the rates for one service or class of customers so the rates of another service or class of customers can be reduced below cost.
debt-equity ratio	The ratio of money borrowed by the utility to money invested in the utility by shareholders. There is a theoretical optimum for this for each utility.
deferral account	An account that records the deferral of a cost or revenue until a future date. A deferred asset account records a cost that would normally be expensed and recovered in the current period, but which is to be expensed or recovered in a future period. A deferred liability account records an amount recovered in the current period, to cover costs of providing service in a future period.
demand-side management (DSM)	Efforts to modify customer demand patterns by either increasing end-use energy efficiency or reducing fluctuations in energy demand.
distributed generation	Generation that is relatively small scale and located close to the final customer.
distribution system	The portion of an electric or natural gas transportation infrastructure that connects end-users to bulk production or transportation facilities.
energy losses	Energy lost during transportation from suppliers to end-users. Energy losses on a typical natural gas system are around 1 to 3 percent. Energy losses on a large electric system are around 5 to 8 percent.
export sales	Bulk sales of electricity or natural gas outside of British Columbia.
firm capacity	The amount of instantaneous energy production or transportation capacity that is available at a defined time.
firm energy	The amount of energy that is available over a defined period of time.

fixed cost	Costs associated with an energy production or transportation facility which must be paid whether the plant operates or not. Fixed costs generally include capital costs, contract demand charges and operating costs which are committed or unaffected by production levels.
gas cost reconciliation account (GCRA) **gas cost variance account (GCVA)**	A deferral account which accumulates the variance in actual gas costs from the actual gas revenue recovered in customer rates.
green power rates	Rates changed for electricity service from generators which do not pollute or damage the environment. Different groups define "green" power with various levels of restriction. For example, a run of the river hydro plant may be included while a new dam and reservoir may be excluded.
hydroelectric energy, hydroelectricity	Electric energy produced by water falling through a turbine generator. In British Columbia, hydroelectricity is the dominant form of electric energy production.
incentive regulation	Regulation which rewards utilities for cost savings or other actions which are desired by ratepayers.
independent power producers (IPPs)	Non-utility electric energy generators. Until the early 1970s, independent power producers were rare. With recent changes in utility technology and economics, they have become more common. Many issues relating to restructuring of the utility industry involve the role of independent power producers in a deregulated energy market.
information requests	Questions posed to those who have filed evidence for a hearing, pertaining to the evidence they have filed. Information requests and their responses are made prior to the hearing, in writing, and become evidence in the hearing. Information requests are also referred to as "interrogatories".
interim rate	A rate which is put in place until the regulator can determine the final rates. If the final rates are lower than the interim rates, customers are generally refunded their over-contributions with interest for the period of time the interim rates existed.
interruptible energy, interruptible service	Energy flow which can be reduced or cut off on relatively short notice when needed by other customers. Generally, interruptible energy is sold by contract at a reduced price or without fixed charges to end-users, with specific terms and conditions governing interruptibility rights.
investor-owned utility	A utility owned by private shareholders.

joule	A measure of energy or work done equal to a force of 1 newton applied through a distance of 1 metre. One gigajoule (one billion joules) is roughly equal to energy from 915 cubic feet of natural gas, 29 litres of gasoline, or 278 kWh of electricity.
kilowatt-hour	1,000 watt-hours.
load	The amount of energy required by end-users on a given portion of the system at a given time. Load originates primarily at customers' energy-consuming equipment.
load growth	Increase in the demand for energy.
load-resource balance	The point at which demand for energy exactly equals energy production.
local distribution company (LDC)	A utility (natural monopoly) that owns and operates the local delivery network for commodities such as electricity, natural gas and water. In a vertically integrated utility, local delivery is just one of several functions (e.g., BC Hydro). Thus, a LDC only exists when the delivery function has been vertically de-integrated (e.g., Terasen Gas).
market-based rates	Prices set freely in a competitive market, rather than prices based on costs of production.
megawatt (MW)	1,000 kilowatts, or 1,000,000 watts.
natural monopoly	An industry whose market output is produced at the lowest cost when production is concentrated in the hands of a single firm. The term utility is sometimes applied synonymously with natural monopoly.
natural gas marketer (NGM) (also see 'residential/commercial commodity unbundling')	Under the Commodity Unbundling program, natural gas marketers are independent businesses that offer alternative gas supply choices such as different terms and conditions to customers. To be able to sell gas under the Commodity Unbundling program, gas markets must be licensed by the British Columbia Utilities Commission and adhere to the Code of Conduct for Gas Marketers (see http://www.bcuc.com/NaturalGasMarketers.aspx)
negotiated settlement process (NSP)	A less formal process where the applicant, interested parties and Commission staff meet to review and attempt to negotiate a settlement on some or all aspects of an application. NSP is used to complement or as an alternative to the traditional regulatory process (e.g., oral public or written hearings) in an effort to save time and reduce the cost of utility regulation while achieving sound regulatory outcomes.

peaking gas	Gas which is stored or purchased under contracts which will allow delivery during the periods of highest demand.
performance-based rates	See "incentive regulation".
petajoule (PJ)	10^{15} or one quadrillion joules.
quasi-judicial	The powers and processes of a regulator which are similar to the courts.
rate base	The amount of investment in regulated operations on which a regulated entity is allowed to earn a return. It usually consists of the depreciated value of the plant in service required for regulated operations plus an allowance for working capital and deferred assets.
rate design	The methodology for apportioning the revenue requirement to the various classes of utility customers.
rate rider	A specific charge on a customer's bill to recover a specific cost over a fixed period of time.
ratepayers	The customers of a utility.
rates	The prices at which regulated services are provided.
real time pricing (RTP)	Variable pricing of electricity in which the price depends on the cost or market value of providing electricity during each time segment. Applying RTP to electricity service results in customer rates that vary according to the specific utility costs at various times.
residential commodity unbundling (also see 'commercial commodity unbundling')	The program provides residential customers (Rate 1) of Terasen Gas with the opportunity to enter into a natural gas commodity supply arrangement with a licensed gas marketer.
retail competition	Permitting end-use energy customers to contract directly with energy suppliers for their electricity or natural gas commodity, while continuing to deal with transmission and distribution utilities for the commodity delivery. The energy commodity is generally sourced in a competitive marketplace.
return on equity (ROE)	The percentage return allowed for the invested equity of utility shareholders.
revenue requirements	See "cost of service".
self-generation	Generation of electricity by a customer for part or all of its own load requirements.

spot market	A real-time commodity market for immediate sale and delivery of energy products.
time-of-use rates	A rate structure that prices electricity at different rates, reflecting the changes in the utility's costs of providing electricity at different times of the day or year.
transmission grid, transportation grid, transmission system	An interconnected system of high voltage energy transportation lines and associated facilities used for bulk transfers of electricity. A high-pressure pipeline used for bulk transfers of natural gas is also referred to as a transmission system.
watt	The power required to do work at the rate of one joule per second.
watt-hour	One watt-hour is equal to 3,600 joules of energy.
wheeling	The service of delivering electricity across a transmission system for a third party.
wholesale markets	Wholesale electricity markets are comprised of transactions between buyers and sellers of bulk power at points on a high voltage transmission system.
wholesale rates	The unit prices charged for bulk energy services.